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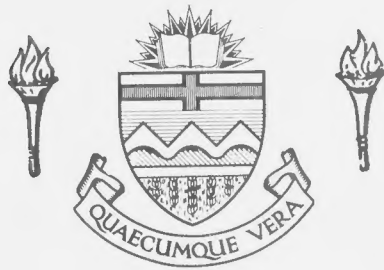
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**R E P O R T**  
**OF THE**  
**MANITOBA LIQUOR**  
**ENQUIRY COMMISSION**

Members of the Commission:

JOHN BRACKEN  
Chairman

MAJ.-GEN. H. J. RILEY

PAUL L'HEUREUX, M.D.

MRS. JEAN L. WHITEFORD

C. A. McCRAE



Winnipeg, Manitoba

1955



# MANITOBA LIQUOR ENQUIRY COMMISSION REPORT

1955

His Honour J. S. McDiarmid,  
Lieutenant Governor of Manitoba.

I beg to present, herewith, on behalf of its members,  
the report of the Manitoba Liquor Enquiry Commission.

(Signed) JOHN BRACKEN  
Chairman



REPORT OF  
THE MANITOBA LIQUOR ENQUIRY COMMISSION

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The section references contained in this Report are those found in The Government Liquor Control Act, 1928, Revised Statutes of Manitoba, 1940. This material was prepared before the Revised Statutes of Manitoba, 1954, came into force.

# PART ONE

## The Basis of the Liquor Problem and Traditional Ways of Dealing With It

### CHAPTER I

Scope of the Enquiry — Procedure — Specific problems of liquor control

#### INTRODUCTION

In April 1954, the members of this Commission were asked by the Government of Manitoba to make certain studies in connection with the liquor problem in this Province.

At their first meeting early in May following, the members were asked by the Attorney-General to consider the proposed terms of reference as outlined by him to the members of the Legislature on March 15th, and to make any suggestions considered advisable as to modifications of, or additions to, the suggested terms.

In compliance with this request the Commission suggested that there be added to the Terms of Reference instructions to make findings and recommendations with respect to matters not already included therein.

1. The ADMINISTRATION of the Act as well as the Act itself;
2. The MANUFACTURE of alcoholic beverages as well as the sale, distribution and consumption thereof.

These suggestions were subsequently added; the former now appearing in Section 8 and the latter in Section 9 (1) of the Terms of Reference.

#### Scope of the Enquiry

The members of the Commission have been fully conscious of the heavy responsibility placed upon us. We were aware of the wide scope of the task itself; and we were impressed with the non-partisan approach of the members of the Legislature, and with the wide concern of the public generally with respect to the complex problem put before us.

We felt it our duty, therefore, to take into account not only the general and specific instructions in the Order-in-Council but as well the various points raised by the members of the Legislature in their discussion of this matter during the 1954 Session of the House, and also the many carefully prepared presentations made to us by great numbers of interested citizens.

We have kept continuously before us the basic instruction to "make findings and recommendations consistent with the public interest and general welfare of the people of Manitoba". At the same time we have kept in mind the suggestion of the then Attorney General in his remarks to the Legislature on March 15, 1954, when he said:

"The people of this Province feel too keenly and too deeply on this important matter to be satisfied with anything less than a complete thorough and searching investigation of all the facts. They will expect well-documented and well-justified findings supported by clearly proven evidence."

We have also acted on the ex-Attorney-General's suggestion in his communication to the Chairman of the Commission on April 21st, 1954, when he suggested as follows:

" . . . it occurred to me that it might be advisable to hear the representations of the people and the public of Manitoba before visiting other jurisdictions."

and further—

" . . . that the best time for visiting other jurisdictions might be immediately the crop is harvested, say September or early October."

## **Procedure**

The Commission considered its first duty to be to accumulate as much as possible of the readily accessible and pertinent facts with respect to the "whole field of the problem before us", and in the light of these "findings" to present such "recommendations" as seemed to us wise, practicable and acceptable.

As the problems before us centered around the Government Liquor Control Act, 1928, we proceeded first to make an analysis of this Act and of the earlier liquor legislation which led up to it. At the same time we undertook to discover as far as possible the essential facts about the problem as it exists here; and of even greater significance, we sought to get at the underlying causes of the problem and to set out for our own guidance, and for the consideration of others, the basic principles upon which, in our view, this type of legislation should be based.

A brief history of the liquor problem in Manitoba has already been submitted in Volume IX of our supplementary papers. Volume XI of the supplementary papers contains a report on certain aspects of liquor control and taxation in five overseas countries.

The fundamental basis of the liquor problem is discussed in Chapters III to XI, and a statement of Some Basic Principles and Recent Practices of Liquor Control will be found in Chapter XIV; a consideration of the specific problems we were asked to consider follows in Chapters XV to XXVI; and the remaining chapters deal with "such further matters" as have seemed important under general instructions 9.(4) of the Terms of Reference.

## **Specific Problems of Liquor Control**

In approaching the consideration of this most controversial and complex question, we set out to discover as far as was practicable:

1. The attitude of the people of Manitoba toward their Liquor Act;
2. The results of the administration of the Act by the Manitoba Liquor Commission;
3. The views of the other Provinces of Canada as expressed in their Liquor Laws and administrations;

4. The practices of representative states of the United States as set out in their different State Liquor laws and administrative practices;
5. The laws and experiences of certain other countries inasfar as it was practicable to obtain them;
6. The lessons to be learned from :
  - (a) the centuries of experience of older lands,
  - (b) the writings of leading specialists on the matter, and
  - (c) the contribution of modern science toward the problems.

With respect to Manitoba views on the Manitoba law, we requested and received advice and opinions from all who wished to say anything regarding it. We visited representative parts of the Province, held fifteen hearings in Winnipeg and ten in certain of the more central communities outside Winnipeg, were presented with one hundred and fifty-nine briefs on various phases of the question, received scores of representations from many others who wished to make their views available to us, and consulted numerous individuals in various official and private capacities who might be expected to have informed views on the subject.

We visited nine of the ten Provinces of Canada and obtained from various public officials much pertinent information including the liquor laws and regulations and the reports of their liquor control authorities.

We visited six representative States of the American Union and the District of Columbia; and we obtained a vast amount of information regarding the laws, regulations, and administrative procedures in many of the other forty-two States.

We gathered as much as possible of the historical and scientific literature available and gave a great deal of study to what both experience and science have contributed to a better understanding of the problem. A considerable library of books, publications and reports of various kinds has been accumulated dealing with many aspects of the subject, and these are being placed in the Provincial Library.

Altogether the Commission held some two hundred odd meetings, the majority of them being deliberative sessions having to do with the review of the findings and decisions upon, and preparation of, the recommendations.

We wish at this time to express our thanks to a very large number of Manitoba men and women for the co-operation and assistance they gave us. Many people inconvenienced themselves to give us the best of their experience.

To the officials whom we interviewed in the different States and Provinces we owe a heavy obligation; they were most generous in their co-operation.

Our thanks are likewise due to several other Provincial services which contributed whatever relevant facts or general knowledge their Departments possessed.

The Churches, Boards of Trade, Chambers of Commerce, The Manitoba Hotel Association, the Manitoba Temperance Alliance, The Manitoba Council of Women, The Manitoba Women's Institutes and many other public bodies gave us the benefit of their best thought. Many scores of individuals passed on to us their individual views.

From outside the Province we secured from the authors of many publications and the publishers of their documents the privilege of drawing upon their material, for which credit is given in various parts of the Report.

The local brewers furnished all the information our Terms of Reference authorized us to seek from them. The organized trade, including the distillers and brewers of both the United States and Canada, made available such information as, within the Terms of Reference, had any bearing on our work.

Our special thanks are due to Dr. E. M. Jellinek, Sc.D., Consultant on Alcohol of World Health Organization, Geneva, Switzerland. Dr. Jellinek is regarded as one of the leading authorities in the world on alcohol problems. He was good enough to come here all the way from Switzerland and spend two weeks with us. The assistance of the Dominion Department of Health in helping us secure his services is hereby acknowledged.

Our small staff proved untiring in their efforts to get at important facts. We are most grateful for the technical assistance rendered by several consultants, including: Dr. T. A. Pincock, Consultant on Alcoholism; Professor Robert N. Halstead, General Consultant; Professor R. C. Bellan, Economic Consultant; Mr. Sterling Lyon, Legal Consultant, and Mr. J. S. Anderson, special Tax Consultant. Our thanks are also due to Mr. Barnard Halstead, who acted as Secretary to the Commission and who carried out his heavy task in a most efficient and capable manner.

The clerical staff varied from time to time; no one of them was with us continuously. We wish to express to them our thanks for their most capable service. To the extent that there are faults in the Commission's work, they will not be due to any lack of industry or application on the part of any of the staff.

The Province is fortunate in having had as administrators of the Act, men of outstanding integrity and experience. This could probably be said of all those who have been in charge since the Act was first passed in 1923 (or in its present form in 1928). It applies particularly to the present Chairman, who is widely regarded as having conducted the Commission's affairs with singular rectitude, integrity and competence.

To the Officials of the Manitoba Liquor Control Commission our thanks are especially due; they could not have been more helpful with their advice and assistance.

## CHAPTER II

### THE TASK AS SET OUT

The Terms of Reference — The Government's Attitude — Unimplemented Recommendations of the Legislature — Suggestions by Members of the Legislature

#### Terms of Reference

On May 12th, 1954, the official Order-in-Council concerning the Manitoba Liquor Enquiry Commission was passed, and the proclamation announcing it was published.

It provided for the appointment of the Commission, set out the usual powers given to such a body and outlined in general and in detail the instructions and duties imposed upon the Commission.

The general purposes, objects, and duties of the Commission were set out as follows:

"To make full enquiry, and to make findings and recommendations consistent with the public interest and the general welfare of the people of Manitoba with respect to the whole field of relevant facts, matters, issues and legislation relating to the manufacture, sale, distribution and consumption of spirituous, vinous and malt liquors within the Province of Manitoba and to report the findings and recommendations of the Commission with reference to the matters comprised within the enquiry."

Without in any way limiting the scope of the general instructions as set out above, the Commission was instructed in **particular** to make findings and recommendations with respect to certain specific matters, viz:

1. The adequacy of The Government Liquor Control Act, 1928, the regulations thereunder, any other legislation, and the administration of said Act, regulations and legislation in regard to:
  - (a) the method of sale of beer, wine and spirituous liquor by the bottle or carton through government controlled and operated liquor stores;
  - (b) the 'permit' system for the purchase of all beer, wine, and spirituous liquor by the bottle or carton;
  - (c) hours of sale in licensed premises of all kinds and in any government controlled and operated liquor stores or other retail sales outlets;
  - (d) the principle of local option by-laws in relation to liquor outlets of all kinds;
  - (e) the provision for and control of Club licenses;
2. The advisability or inadvisability of revising The Government Liquor Control Act, 1928, the regulations thereunder and the administration of said Act and regulations to provide for the following:
  - (a) selling beer by the glass or bottle to male and female persons for on-premises consumption in public houses;

- (b) making available for sale in public houses licensed to sell beer by the glass or bottle, light foods and beverages such as sandwiches, soft drinks and juices;
  - (c) licensing public houses to sell beer by the glass or bottle, whether such public houses be physically or in any other way connected with a hotel, or not;
  - (d) licensing hotels and restaurants to serve with meals beer, wine or spirituous liquor, or any one or more of them;
  - (e) licensing night clubs or cocktail bars to sell beer, wine and spirituous liquor by the glass;
3. The situation and problems now existing under The Government Liquor Control Act, 1928, and the situation and problems likely to exist under any amended Liquor Act providing any or all of the items under the preceding sections, such as—
- (a) the enforcement of liquor laws, particularly in regard to 'bootlegging' and illegal sale of intoxicants;
  - (b) alcoholic education in schools and at adult level;
  - (c) the significance of the relationship of breweries to hotels and and to liquor outlets;
  - (d) the role of advertising in the promotion of liquor sales;
  - (e) the social welfare costs of human consumption of beverage alcohol to our economy and society;
  - (f) treatment and rehabilitation of 'problem drinkers' and alcoholics and the most effective method of organization for these purposes;
4. Such further matters as the Commission may consider to be incidental to the foregoing matters.

### **The Government's Attitude to the Work of the Commission**

Statement by Hon. Ivan Schultz, Q.C.  
then Attorney-General in the Provincial  
Legislature, March 15, 1954.

"There is probably no greater or more difficult problem before the people of Manitoba, and indeed of Canada, than the liquor question. It is difficult because it is a matter in regard to which our people hold views which are so different, so opposed, and so contradictory, that rational discussion is difficult and agreement almost impossible. In discussing this question, feelings and emotions frequently sway the judgment; opinions crystallize into prejudices; and impartial, fair-minded, unprejudiced consideration becomes almost impossible.

"In view of such opposed and contradictory viewpoints we might despair of finding any possible solution. There is, however, one hopeful sign, one encouraging feature. For however much those holding strong

opinions may differ as to what should be done, there is general agreement that something must be done. There is general agreement too that no legislative action should be taken in regard to the fundamental problem unless and until a complete and exhaustive study has been made of the liquor question by an independent Commission of representative citizens.

### **Comment on Terms of Reference**

“The first division is a general direction to the Commission instructing the members thereof to investigate the whole field of relevant facts covering the use and sale of liquor in Manitoba, including sale, distribution and consumption of all kinds of liquor; having ascertained the facts “to make recommendations consistent with the public interest and general welfare of the people of Manitoba”. It is clearly implied in this latter statement of the responsibilities of the members of the Commission that there is a large measure of moral responsibility involved that must be faced. In other words, more than a mere statement of facts and recommendations is required; it is clearly implied that reasons should be given for the recommendations made and that those reasons should justify the recommendations. The people of this Province feel too keenly and too deeply on this important matter to be satisfied with anything less than a complete, thorough and searching investigation of all the facts. They will expect well-documented and well-justified findings supported by clearly proven evidence. The terms of reference as above stated not only make such findings possible but require that type of a report.

“The Government does not wish to suggest that the matters set out in detail in Sections (1), (2), and (3) that follow the general statement cover or include the whole field of the investigation; nor does the fact that any particular problem is suggested for the attention of the Commission imply any interest, support or opposition on the part of the Government. We are asking the members of the Commission to approach the problem of liquor control with an open mind; it follows that there is an even greater responsibility on the members of this House and the Government to consider the whole problem reasonably, rationally, objectively, impartially.

“There must be no thought at this moment in our discussion of endeavoring to foresee or influence the findings or recommendations of the Commission. However, bearing in mind the practise of other jurisdictions in regard to the control of liquor and realizing there are opinions in regard to such matters strongly held by many of our citizens and strongly opposed by others, we think it desirable to call the most important of these questions to the attention of the Commission. If the House approves of the terms of reference as so detailed, members can feel as the Government feels, neither approval or opposition is involved. We are doing nothing more or less than asking the Commission to give these particular matters the attention public interest demands.



## **Comment on Section (4)**

“I think members of the House will agree that the terms of reference as above stated are sufficiently comprehensive to give the Commission complete authority to investigate every aspect of the liquor problem in Manitoba. However, to make assurance doubly sure we have in Section (4) given to the members of the Commission a free hand to investigate such further matters as they may consider to be incidental or in any way connected with the liquor problem.

## **Technical Assistance to Commissioners**

“The Government feels that any adequate study of a matter as involved and complex as the liquor problem will require a most searching and exhaustive study of many sources of information, such as reports of other investigations; the very voluminous literature on the subject, and a careful analysis of the operation of the liquor laws of other Provinces and States. The Government therefore proposes to make available to the Commission whatever technical help by experts is required. We shall emphasize to the Commission, as we now do to the Members of this House, that every possible source of useful information should be explored. We want the investigation to be thorough in every respect; we want the findings of the Commission not only to be stated but to be proven; we want recommendations that are logical and inevitable consequences of demonstrated facts. On a problem as difficult as this, and one on which our people hold widely differing opinions, nothing less will carry conviction. To accomplish this end, the Commissioners when appointed must have the benefit of the best technical advice obtainable. We shall see that it is provided.

## **Opportunity for Presentation of Briefs**

“In view of the widespread general interest in the subject of liquor control, and bearing in mind the strong differences of opinion between different sections of our population, the Government believes it is essential that all interested groups or sections of our population should have the opportunity of presenting their views to the Commission. For this reason we believe arrangements should be made for the Commission to hold public sittings for the presentation of briefs at geographically key points in the Province. Every possible opportunity should be presented and will be provided for the members of the public to present their views.

## **Visits to Other Jurisdictions**

“Many Provinces and States have government liquor control in some form or other. This control varies greatly as between these jurisdictions. The Government is of the opinion that a knowledge of the actual experience of other jurisdictions with varying types of liquor control would be of great value to the members of the Commission. To properly assess the operation of the liquor laws of other states or provinces, a mere study of

the statutes and of the annual reports is not sufficient. We believe members should visit several of these other jurisdictions and endeavour to ascertain from personal observation and investigation the desirability or undesirability of different methods of sale or restrictions of sale; of enlarging or decreasing liquor outlets. Valuable information could be secured as to the different methods of dealing with problem drinkers and alcoholics. There is scarcely a single aspect of the proposed investigation that would not be materially aided by a careful consideration at first hand by the Commissioners of the results and effects of different policies and methods in different States and Provinces. The Government feels that in a problem as difficult of solution as this, we can and should profit by the experience of other jurisdictions. The members of the Commission will therefore be requested to visit and study the experience of other jurisdictions in regard to liquor control.

### **Conclusion :**

“In concluding these remarks, I think I should point out that while the study and report and recommendations of the Commission to be appointed are all of great importance and will, I am sure, be of great value, nevertheless the responsibility for the actual decision made and any legislation that results will be a governmental and legislative responsibility. I know this difficult question of liquor control provides diametrically opposed opinions. I know its discussion often provokes bitterness and prejudice rather than conciliation and understanding. I know it is difficult to find satisfactory middle ground for agreement between viewpoints that are almost irreconcilable. I know that the protagonists of the two extremist positions, each sincerely believe the question at issue is basic and compromise is difficult.

“With these deep-seated differences of opinion dividing our people, I think it is desirable that we, the members of this House in our discussion of the problems should be broad-minded, open-minded and tolerant, giving credit for the same honesty of thinking to those that differ with us as we claim for ourselves. To be fair, to be reasonable, to be tolerant does not mean any sacrifice of principles. It means adherence to the greatest of all principles—understanding and appreciating your fellow men. If we approach this problem in that spirit, we shall set an example to our people that would be worthy of our responsibility and their emulation.”

### **Suggestions from the then Attorney-General.**

Extracts from letter from The Hon. Ivan Schultz, April 21, 1954, to the Chairman of the Commission.

Hon. John Bracken,  
Manotick,  
Ontario.

Dear Mr. Bracken :

I was delighted to know that you are willing to accept the Chairmanship of the Liquor Commission Investigation.

Where the population of a province is divided, as our people are now on the liquor question; where very strong but divergent views are honestly and sincerely held by different groups and where the entire question is clouded with prejudices and emotional reactions, the absolutely essential thing is to have a person like yourself who can work out a synthesis of the different opinions that probably represents as near as one can humanly come to a reasonable and fair and just compromise between conflicting interests and opinions.

My purpose, however, in writing this letter is to discuss certain matters of immediate importance in regard to the Commission in reference to which I would like your advice and instruction. I may say we have already arranged that the Speaker's rooms and offices will be made available for the use of the Commission. It seemed to me it was desirable to have headquarters in the Legislative Building as it will be more convenient and it is certainly central.

It would be a great help if the law of the provinces or states were clearly understood before being visited by the members of the Commission. This would enable the Commission when visiting the area to ask questions related to the legislation and operation thereof.

I have always felt that in reading the reports of other investigating commissions, they overlook investigating the basic facts of the situation on which their recommendations are presumably based. It appeared to me and I so advised the House, when I spoke on behalf of the Government, that we were not interested in merely obtaining recommendations from the Commission. We were even more interested in having the Commission tell us the basic facts on which such recommendations were based. I know this makes the task of the Commission very much more difficult but it has one tremendous advantage, namely, if properly supported, substantiated and buttressed by facts, the report of the Commission will carry weight and influence people far more definitely than a mere list of recommendations, having no solid basis of support.

Regarding visits to other jurisdictions, it occurred to me that it might be advisable to hear the representations of the people and public of Manitoba before visiting other jurisdictions. In addition, if I am correct in assuming that we should have a careful and clear statement of the law and practice in other provinces, it will be necessary to have the same prepared and studied by the members of the Commission before visiting other jurisdictions. For that reason, it would seem to me, and this is a suggestion only, that the best time for visiting other jurisdictions might be immediately the crop is harvested, say September or early October. This again is a matter that the Commission members would have to decide for themselves but it is one of the matters that might very well be considered at the organization meeting.

Yours very truly,  
"Ivan Schultz"  
Attorney-General.

## Unimplemented Recommendations of the 1952 Legislature

The Select Special Committee of the Legislature in its report to the Legislature in 1952 made 35 recommendations for changes in Provincial Liquor Laws. Action was taken to implement 19 of these recommendations. No action has been taken to implement the remaining 16 recommendations which were as follows:

1. That liquor advertising be allowed within the limitations set out in the act.
2. That a national conference be called to secure some uniformity of restrictions on liquor advertising between all Provinces.
3. That the word "daily" be deleted from paragraph (d) subsection (1) of Section 72 of the Act to allow notice of applications for licenses to appear in local weekly papers.
4. That no banquet permits should be granted for banquets on election days.
5. That additional Inspectors be added for enforcement of the law with respect to the illegal consumption of liquor at Supper Dances, Dance Halls and Night Clubs.
6. That as it is already covered in Section 105 of the Government Liquor Control Act, Section 148 should be amended so that it will not be applicable to beer licensees in respect to beer supplied to minors.
7. That the Liquor Commission resume its former practice of delivering liquor from a store of the Commission to the residence of a purchaser in centres where there is a liquor store.
8. That present restrictions against issuance of permits to hotel employees resident in the hotel be discontinued.
9. That the suspension of a permit or a license be terminated after two years, if during the intervening period the licensee or permittee has not been convicted of any offence.
10. That the fixed minimum penalties set by subsection (1) of Section 167 of the Act (general penalty clause) be repealed, both with respect to fines and imprisonment, but that the maximum penalties be retained.
11. That the provision set by Section 312 of the Act be deleted with respect to the requirement that a person found intoxicated must state under oath where and from whom he obtained the liquor.
12. That the penalty set in subsection (4) of Section 110 of the Act prohibiting the granting of new licenses shall not apply unless the three convictions in question have occurred within a period of 6 years.
13. That Section 204 be amended to require the convicting magistrate to recommend whether the permit of the convicted person should be suspended, and that the Liquor Commission shall not be bound to suspend the permit unless the magistrate so recommends.
14. That the Government review the composition of the Liquor Commission to determine whether it would be desirable to increase the membership from one to three.

15. That Section 2 of the Act with respect to "residence" be amended so that a residence will be defined as being a private dwelling including its surrounding grounds or a private room in a hotel or club.
16. That the Federal Government should appoint a Royal Commission to make a thorough study of the liquor laws in force throughout Canada with a view to producing greater uniformity in liquor laws in the several Provinces.

### **Suggestions by Members of the Legislature**

Extracts from Debate in the Legislature on the liquor question as reported by the Winnipeg Free Press, March 16th, 1954:

- MR. ERRICK WILLIS (opposition leader) named the terms as "reasonably wide" and said this was a "good thing". As important as the terms of reference, however, would be the type of persons chosen to serve on the commission.
- MR. LLOYD STINSON (CCF leader) expressed hope the probe would be non-partisan. He feared, however, that before the liquor question was settled all parties would be "split down the middle". He suggested liquor industry profits be brought under the probe, and Mr. Schultz promised consideration.
- MR. J. A. ROSS (PC-Arthur) voiced criticism of what he called "a tariff of five cents a bottle on eastern beer" coming into Manitoba. He also supported Mr. Stinson's call for a probe of brewery profits. (Mr. Schultz later promised consideration of the "tariff" for inclusion in the terms of reference).
- MR. A. R. PAULLEY (CCF-Kildonan-Transcona) wanted the commission to study possibility of the Manitoba government's going into the beer manufacturing business.
- MR. F. L. JOBIN (Lib.-The Pas) called on interested groups in the Province to take the opportunity offered by the commission to make their views known "or forever hold their peace". He also suggested the terms of reference state that the report be made to the legislature.
- MR. W. A. KARDASH (LLP-Wpg. North) wanted two women on the commission.
- MR. REG. WIGHTMAN (Lib.-Assiniboia) called for a referendum immediately after the report was submitted.
- MR. ROY BROWN (Lib.-Rupert's Land) called for action on the liquor question "in 1955 - not 1956".
- MR. H. B. SCOTT (PC-Winnipeg Centre) wanted a special session of the legislature to deal with the liquor report if the house was not sitting when it came out.
- MR. S. E. BURCH (Lib.-Norfolk-Beautiful Plains) supported appointment of a woman to the commission and also the call for a probe of brewery profits.

- MR. ROBERT BEND (Lib.-Rockwood) declared the terms of reference covered all the liquor problems that had ever been brought to his attention.
- MR. STEPHEN JUBA (Ind. Lib.-Wpg. Centre) called for extensive advertising in connection with the public hearings of the commission. He proposed the Province share its liquor profits with municipalities, and charged that a brewery monopoly existed in the province.
- MR. CHRIS. HALLDORSON (Lib.-St. George) said rural areas might not desire widening of liquor laws but favored a change.
- MR. JACK ST. JOHN (Lib.-Wpg. Centre) expressed favor of the local option system. A referendum on liquor changes "wouldn't do a great deal".
- MR. M. N. HRYHORCZUK (Lib.-Ethelbert) called for members of the commission to give equal consideration to all sections of the province.
- MR. DONOVAN SWAILES (CCF-Wpg. Centre) said that the probe outline followed what had been proposed by the CCF for years.

Extracts from Debate in the Legislature on the Liquor Question as reported by the Winnipeg Tribune March 16th, 1954:

- MR. ERRICK WILLIS (opposition leader) led off the debate by saying that the terms of reference were reasonably wide, and that the members of the commission should be given copies of the statement made by the attorney-general in amplifying the terms of reference.
- MR. LLOYD STINSON (CCF leader) said that the commission which investigated the liquor question in British Columbia had recommended an analysis of the profits made by the various branches of the liquor industry; the terms outlined by Schultz contained nothing on this point.
- MR. JACK McDOWELL (P.C.-Iberville): The permit system was a bad feature of the present Liquor Control Act. Permits did not curb bootlegging. Grocery stores should be licensed to sell beer. This system worked well in Quebec. Wineries in Ontario had their own retail outlets, and this system had worked well there.
- MR. J. A. ROSS (P.C.-Arthur): He was glad a woman would be named to the commission. Profits should be investigated; the tariff of five cents a bottle against eastern Canadian beer was illustrative of the "great influence breweries have in certain sections". Interprovincial tariffs of this kind were "very bad things".
- MR. A. R. PAULLEY (CCF-Kildonan-Transcona): The commission might consider whether the government should manufacture beer. He thought that this step would do away with the unsatisfactory features of the liquor trade.
- MR. F. L. JOBIN (L.-The Pas): He favored widening the liquor laws, advocated that the "wets" should do a little better than they did two or three years ago—when the administration of the Liquor Control Act was under scrutiny—to make their voices heard.

- MR. REG. WIGHTMAN (L.-Assiniboia) : A referendum on the liquor question should be submitted to the public after the Commission had made its report.
- MR. H. B. SCOTT (P.C.-Winnipeg Centre) : Whatever the Commission did, time was the essence of the whole matter. Manitoba now lagged far behind the liquor legislation in other provinces. Tourists objected to the "antiquated" laws which kept women out of beer parlors; they headed thankfully for Kenora after experiencing the laws in effect in Manitoba.
- MR. CHRIS. HALLDORSON (L.-St. George) : Juba's opinions were wrong. Rural areas wanted as many changes in the Liquor Control Act as any other areas. He himself did not think the Act was a good one, and action should be taken upon it fast.
- MR. STEVE JUBA (Ind.-Winnipeg Centre) : Liquor profits should be distributed to municipalities; but if some went "dry" under local option, they should not receive a share of the profit.

Earlier, in his reply to the speech from the throne, Mr. Stephen Juba was reported, by the Winnipeg Tribune of February 19th, 1954, in part as follows:

"That his aim is to have the outmoded laws changed so that they can be enforced and respected. He solemnly declared that if he had his way there would be no liquor made.

Again our liquor laws are bad, in Mr. Juba's opinion, because they permit of operation of clubs which cater to different classes in the community. In these clubs mixed drinking is legal while women who do not belong to them are not allowed to enter beer parlors. The tourist does not like our liquor laws, said Mr. Juba, because they cannot take the women members of their party into parlors for a drink of beer.

Then he referred to Manitoba's "Dismal beer parlors", drab, unpainted and unadorned. The reason, he said, was because breweries had financial control over so many licensed premises. He had been informed that one brewery controlled 54 beer parlors in the Province.

The next point made was the absurdity of the law which bans liquor advertising in periodicals and newspapers published in Manitoba while it permits the Province to be flooded with outside magazines and newspapers which carry advertisements for brands of liquor sold by the Manitoba Liquor Commission.

There should be temperance programs financed by the government, much more effective than those now undertaken."

Mr. Alex Turk (North Winnipeg) was also reported, in the Winnipeg Tribune, February 19th, 1954, as follows:

"Liberal member Alex Turk said in the legislature that he hoped any proposals brought forward by the liquor commission would be acted upon speedily. He felt that in advocating the widening of the liquor laws he was speaking for many of his own constituents and for many Manitobans at large."

## CHAPTER III

### THE PROBLEM AS INTERPRETED

#### Interpretation of Instructions — Glossary of Technical Terms

The instructions given to this Commission in the Terms of Reference directed our attention primarily to the "Government Liquor Control Act, 1928"; the problem of dealing with Liquor "in the public interest"; and several specific problems individually set out. This chapter is devoted to our interpretation of these instructions and a more precise examination of their implications.

What is meant by the Government Liquor Control Act—1928?

This is the liquor law passed by the Manitoba Legislature at its 1928 session. This law contained two basic features, the first having been made law in 1923 and the second added to the first in the 1928 statute. The first made provision for the sale of packaged liquor—spirits, wine and beer—in Government stores for consumption at home, all the profits to go to the Government and none to private licensees. The other was for the sale of beer by the glass in licensed premises, the retail profit to go to the licensees.

The Government sale feature was initiated by the Moderation League. They had sponsored a petition in 1922 signed by over 70,000 people asking for the retail sale of liquor in Government operated stores. They had prepared a "Moderation League Bill" embodying this principle. The bill was presented to the people in a referendum on June 22, 1923. The referendum asked "Do you approve of the proposed law entitled 'An act to provide for the Government control and sale of liquor as proposed by the Moderation League'?" The result was a favorable vote of 107,609 to 68,879. The measure became law in 1923 under the name of the Government Liquor Control Act. In 1928 all the basic features of this Act were carried forward and embodied in the Act of that year.

The other feature of the 1928 law, "beer by the glass", was also initiated by a petition in 1927. This petition was reputed to have been signed by 128,000 people. It asked for an enlargement of the 1923 Act in order to provide for beer by the glass in licensed premises. A plebiscite was held, and the principle of beer by the glass in licensed premises in preference to the sale of beer by the bottle in sealed containers by the Liquor Commission was approved 76,687 to 67,092. This principle was made effective by law in the following year, i.e. 1928.

These two features thus became established in the liquor law of Manitoba. The measure which brought them together was introduced as "The Government Liquor Control Act, 1928", the name by which it has been known ever since.

During the twenty-seven years since 1928 many minor changes have been made by the different legislatures, but none altered the basic principles referred to. One amendment of more than ordinary interest in 1953 may here be mentioned,—it provided that women as well as men could be guests



in veterans' clubs, a change which has fostered the idea now urged in many quarters of allowing women as well as men in beer parlors and other possible liquor outlets.

The 1928 Act as now in effect is a very comprehensive measure comprising 312 different clauses covering every phase of liquor control. It deals with these in ten different parts as follows:

|           |   |                                     |
|-----------|---|-------------------------------------|
| Part I    | — | The Commission                      |
| Part II   | — | Permits to Purchase and have Liquor |
| Part III  | — | The Sale of Liquor                  |
| Part IV   | — | Prohibitions and Penalties          |
| Part V    | — | Prosecutions                        |
| Part VI   | — | Enforcement of Act                  |
| Part VII  | — | Liquor Appeals                      |
| Part VIII | — | Local Option                        |
| Part IX   | — | Hotels                              |
| Part X    | — | General provisions                  |

This is the Act which, with all its consequences, the present Enquiry Commission has been asked to report upon.

What is meant by "liquor" as the term is used in this Act?

"Liquor" includes all fermented, spirituous, and malt liquors, and all combinations of liquors and all drinks and drinkable liquids which are intoxicating; and any liquor which contains more than two and a half per centum of proof spirits shall conclusively be deemed to be intoxicating. The term "liquor" includes beer and also any substance which by being dissolved or diluted is capable of being made a drinkable liquid which is intoxicating, and which substance is declared to be liquor by any regulation of the commission. (Manitoba Liquor Control Act)

As used in this report, "liquor" is meant to include the alcoholic beverages commonly spoken of as "beer", "wine" and "spirits", all of which contain alcohol in different percentages as their essential ingredient.

What is alcohol?

Dr. Haven Emerson (in "Alcohol—Its Effects on Man") defines it as follows:

"Alcohol in the pure state is a colorless fluid with a slight, agreeable, characteristic odor and a sharp burning taste. It burns readily with a blue flame and no smoke and develops great heat. It mixes freely with water in all concentrations, with some rise in temperature, and with a reduction in volume of the mixture. Alcohol boils at 78.3°C. and solidifies to a white mass at -130°C. Its chemical symbol is  $C_2H_5OH$ . It is a mobile and volatile liquid of low viscosity. It contains, according to the United States Pharmacopoeia, not less than 92.3 per cent of  $C_2H_5OH$  by weight, corresponding to 94.9 per cent by volume, at a temperature of 15.56°C. Its specific gravity is not above 0.816 at 15.56°C. Absolute alcohol contains not less than 99 per cent of  $C_2H_5OH$  by weight and dilute alcohol contains 41 to 42 per cent by weight or 48 to 49.5 per cent by volume at 15.56°C. Ethyl alcohol used in beverages and in industry is always produced by man by taking advantage of the properties of yeast and by availing himself of the principles of distillation. It is not found in nature in amounts that make its use tempting, practical or useful for man.

Alcohol in low concentrations, from one-half of one per cent or less in fermented mare's milk—the kumiss drunk by the Russian of the steppes—to as much as 12 or even 13 per cent in some natural wines, may be developed solely by the process of yeast fermentation upon the natural or artificially developed sugars of fruits, grains, and starchy vegetable products. When alcohol appears in higher concentrations in drinks, it has either been added from other sources or its concentration is due to the process of distillation."

## What are Alcoholic Beverages?

Waddell and Haag\* define these as follows:

"Alcohol is used internally, not usually as alcohol itself nor as mere dilutions of it in water, but in the form of one of the alcoholic beverages. Of these there are four main groups, which are as follows: (A) Spirits or distilled liquors; (B) Wines or fermented liquors; (C) Beers or malt liquors; and (D) Factitious liquors, which are imitations or modifications of some of the above, prepared by mixing together alcohol, water, coloring matter, and appropriate flavors. In all of these alcohol is the most important ingredient but it is not the only one. The effects of all these beverages are due chiefly to alcohol and are in a general way very similar; but the other materials may exert an important influence. Accordingly, brief consideration may be given to the composition of the alcoholic beverages including their constituents other than alcohol.

### A. Distilled Liquor or Spirits

"These are prepared by the process of fermentation with subsequent distillation. The most important representatives of this group are whiskey from wheat, corn, or rye; brandy from apples, grapes and peaches; rum from sugar, syrup, and molasses; and gin from various roots and herbs which have been treated with alcohol. They all contain a high concentration of alcohol, approximately from 45% to 50%. The alcoholic content of a particular brand is indicated by labelling it as being of a certain proof, the percentage strength being about one-half (in the United States) of the designated proof; thus 90 proof is 45% and 100 proof, 50%.

"While, as stated above, alcohol is the most important ingredient, there are traces and sometimes more than traces of other volatile substances which have been formed as by-products during the process of fermentation and have been distilled over along with the alcohol. Chief among these are certain oily substances which impart the peculiar flavor and odor to the liquor. There may also be present some aldehydes which may be irritating and fusel oil which is an extremely potent intoxicant. These are present in considerable quantities if the liquor has been manufactured by unskilled and ignorant persons, as is usually true in the case of the illicit or bootleg supplies. There may be also present coloring matters which have been acquired from the charred interiors of the barrels, in which it is the practice to store liquors for aging, or from burnt sugar which has been added to produce the appearance of aging.

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1. Waddell and Haag, *Alcohol in Moderation and Excess*. pp. 19-23.

"The government stores include on their lists over a hundred different brands of distilled liquors. Of these, the greatest number are whiskeys and next in numerical rank are the gins. The former are of both American and foreign manufacture and are designated as "straight" (prepared from a single cereal or a mixture of two or more) and "blended" (prepared by mixing a whiskey with alcohol or with whiskeys from other sources).

## B. Wines or Fermented Liquors

"Wines are produced by fermenting the juices, or the pulp and juice of various fruits. After the process of fermentation has proceeded to the optimal point, the resulting material is strained and clarified. It is not subjected to distillation as in the case of the distilled liquors; but it should be aged, preferably in wooden barrels, before it is used.

"The grape is the fruit generally employed, but wines are also made from apples, blackberries, peaches and other edible fruits. The alcoholic content ranges from about 5% to 25%. This depends on the kind and quality of the fruit which is used, the extent to which fermented, and whether or not alcohol from other sources has been added. Most of the wines consumed may be grouped as (a) light wines with an alcoholic content of less than 17½% by volume and (b) heavy or fortified wines which may contain as much as 25.6%. About 86% of that sold in Virginia\* is of the stronger kind. There are present also coloring matter, flavoring and perfuming substances which are dependent on the kind of fruit, sugars, tarry matter, glycerine, aldehydes, fusel oil, and such acids as tartaric, acetic, and tannic and their derivatives. In raw or freshly made wine there may be present such notable quantities of these by-products that the liquor is unpalatable and even toxic.

"The fermented liquors are generally considered to be less harmful than the distilled ones. The attention of the public was called to this even as early as the beginning of the nineteenth century by Thomas Jefferson who begged Congress to impose low taxes on wine so the people being able to purchase it cheaply would use it instead of whiskey or brandy. The reason for the wines being less harmful than the distilled liquors is their lower concentration of alcohol. In consequence of this a person is less apt to overload his system with this intoxicant. But some of the other ingredients of wine are highly active and they are present in greater proportion than in the distilled liquors, so that fermented liquors when used in large quantities are capable of producing bodily derangements both on account of their alcohol and on account of the by-products present. As illustrations, if drunk in large quantities, the high content of tannic acid may produce constipation with resulting defective elimination of body wastes; the acid substances, disturbances in metabolism; and the other materials, derangements of digestion.

\*Perhaps a larger proportion than this is used in Manitoba.

"The government stores handle about one hundred brands of American and foreign wines, including such varieties as port, sherry, claret, tokay, Burgundy, and champagne. The last mentioned is notable for its content of carbon dioxide, which renders it effervescing or sparkling, like soda water, and also contributes somewhat to its intoxicating effects due to its favoring rapid absorption.

### C. Malt Liquors

"In the production of malt liquors some grain, such as barley or wheat, is moistened with water, placed in a warm room, and allowed to sprout or germinate. This, now called malt, is then subjected to the process of fermentation. The resulting material, after being strained to get rid of insoluble matter, is beer. By closely similar processes there are produced the other malt liquors, such as ale, porter, and stout. Of the malt liquors most commonly used, 15% is light beer with an alcoholic content by volume of not more than 4%, 75% is high test beer with not more than 5½%, and 10% is ale with not more than 6¼%.

"Beer which is the malt beverage most commonly used, as noted above, contains a fairly low concentration of alcohol. There are, however, other ingredients, among which may be mentioned notable quantities of sugar, "soluble" starch, and mineral salts. In consequence of the content of food-like substances present, it is sometimes referred to as "fluid bread", the implication being that it could be substituted for that article of diet, at least to a considerable extent. However, the food value of beer is exceedingly small in comparison with bread and moreover its cost would prohibit its use as a mere food, even were there no other considerations.

"In addition to the sugar-like substances present in beer, there are also various other materials, some that are produced in the process of fermentation and others that have been added. There are traces of glycerine, aldehydes, fusel oil, and tar-like matter just as with wine. The bitterness is largely due to the addition of hops, the flowers of a kind of vine, which yield lupulin, a very mild hypnotic; the taste may be further modified by adding common salt. The last mentioned may also increase the person's desire for more beer, since it might render one thirsty.

"A bottle of beer of the strength usually available with its low alcoholic content would have little, if any, effect as an intoxicant on the average person. However, there are some very susceptible persons who may be affected. Of course, a person of insatiate appetite and capacity might swill sufficient to equal a one-fourth or even one-half a tumbler-glassful of undiluted whiskey or brandy, but it is doubtful whether he could drink such a bulk in a short enough period of time to get the same alcoholic effect as from the above quantity of distilled liquor.

"The other constituents of beer have no important influence on the digestion and health. Whereas a single glassful at meal time might aid appetite and promote digestion, very large quantities of beer have an

opposite effect. The sugars and starches, while valuable as foods in small quantities, if over-indulged in may interfere with proper nutrition.

"But altogether beer is the safest of the alcoholic beverages, since it is little apt to produce drunkenness and give rise to the alcoholic habit. Its availability for moderate consumption is considered by some students of the alcohol problem to be a safeguard against using the stronger, more harmful beverages. Our State authorities have taken cognizance of this and have accordingly rendered beer, of low alcoholic content,\* freely available without the restrictions which hold in the case of the more potent drinks.

#### D. Factitious Liquors (Including fortified wines)

"This group embraces a large number of alcoholic beverages which consist essentially of alcohol in various concentrations blended with flavoring substances to render it particularly appealing to the senses of taste and smell. They are prepared in various ways; but in general they are distilled liquors to which have been added flavors, perfumes, and coloring matter. In the case of each, alcohol is, of course, the most important ingredient; yet, in some instances, the other constituents may themselves have important actions.

"The individual beverages of this class are almost numberless, being limited only by human ingenuity to concoct appealing materials. They include cocktails, cordials, liqueurs, elixirs, bitters, absinthe, kirsch and many others. There are available through the government liquor stores about sixty different brands."

What is meant by "Proof Spirit" as applied to alcoholic beverages?

In the United Kingdom and Canada, and in America, arbitrary standards called "proof spirit" are used to determine the quantity of alcohol in a mixture.

Spirits, at strength other than "proof" may be described as containing a percentage of proof spirit, or as being "over proof" or "under proof".

British "proof spirit" is that mixture of alcohol and water which at the temperature of 51°F weighs exactly 12/13 of an equal measure of distilled water also at 51°F. It contains 49.28% of alcohol by weight, and at 50°F it contains 57.10% of alcohol by volume.

United States "proof spirit" contains 50% by volume of alcohol at 15.6°C (60°F).

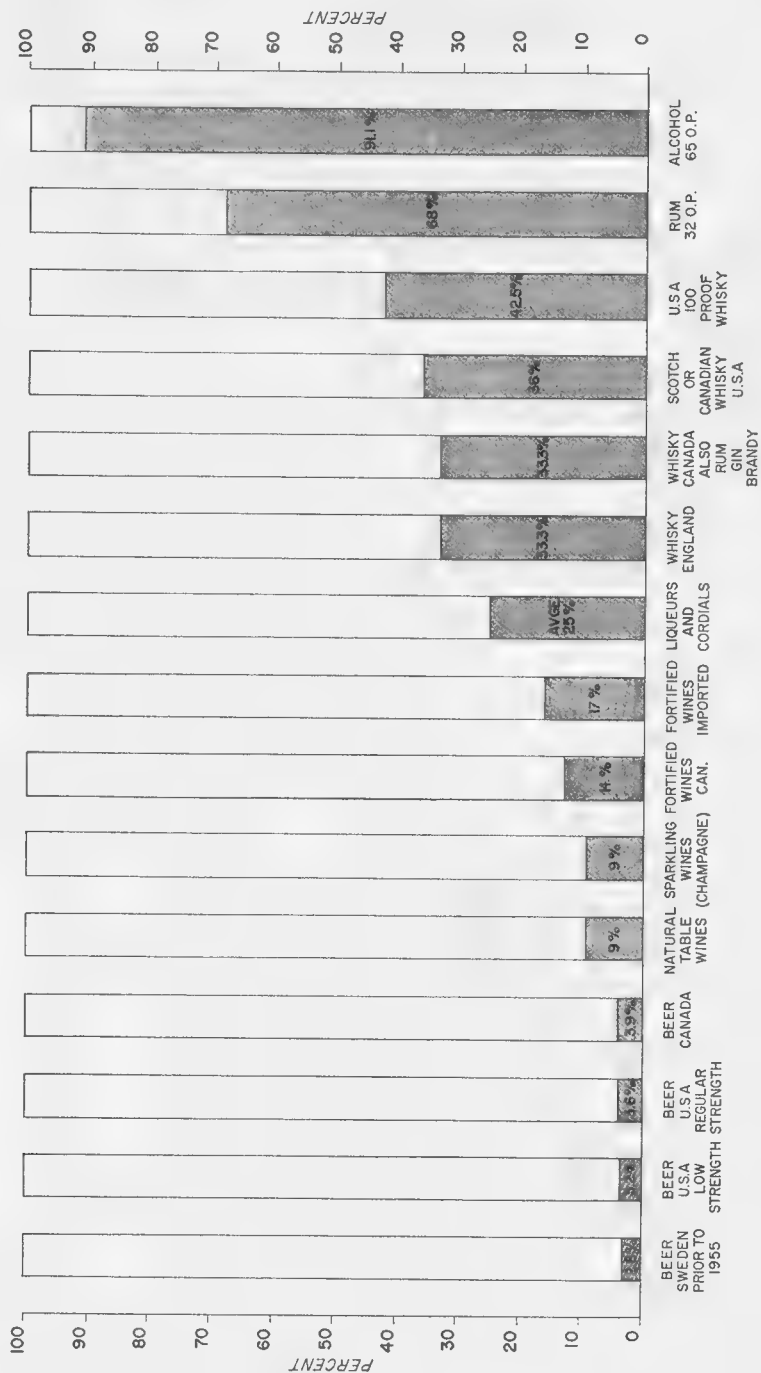
Prior to the war spirits, including whiskey, rum, brandy and gin, were generally sold in all Provinces of Canada at 25 under-proof (Br.). In addition some spirits such as alcohol, whiskey blanc, and rum, were sold at over-proof strengths; for example, certain rums were marketed at strengths as high as 32 over-proof.

In 1942 by Wartime Alcohol Beverage Order, the Federal Government reduced the strength of all spirits for sale in Canada to 30 under-proof

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\*3.2 per cent.

# PERCENTAGE OF ALCOHOL BY WEIGHT IN VARIOUS ALCOHOLIC BEVERAGES



(35% alcohol) ; and, although this wartime measure expired in 1945, the various Provincial liquor authorities have continued to sell spirits at 30 under proof, which is the strength of all spirits now being sold in Manitoba.

Although bottled and sold at 30 under-proof, the various types of distilled spirits are actually distilled at much higher strengths. Alcohol, gin and neutral spirits are distilled at high strengths. Whiskey and rum may be distilled at medium and low strengths. Spirits such as whiskey and rum which require aging are usually reduced in strength by the addition of distilled water to about 10 degrees over-proof for storage and aging in barrels. At the time of bottling the supplier reduces the strength still further before bottling at 30 under-proof or 70% proof in compliance with instructions contained in their orders received from the Liquor Control Commission.

The following table is presented to show the comparative strength of various classes or types of alcoholic beverages. This information has been put together after discussion with various Liquor Commission officials, and the comparisons are set forth in order to clarify the relative strengths of the various types of alcoholic beverages.

#### COMPARATIVE STRENGTH OF ALCOHOLIC BEVERAGES

|                                 | <u>Percent<br/>Alcohol<br/>by Weight</u> | <u>Percent<br/>Alcohol<br/>by Volume</u> | <u>Percent<br/>British<br/>Proof Spirits</u> | <u>Percent<br/>U.S.A.<br/>Proof Spirits</u> |
|---------------------------------|------------------------------------------|------------------------------------------|----------------------------------------------|---------------------------------------------|
| Absolute Alcohol                |                                          |                                          |                                              |                                             |
| (pure Ethyl Alcohol)            | 100%                                     | 100%                                     | 175.3%                                       | 200.0%                                      |
| Rectified Spirits               |                                          |                                          |                                              |                                             |
| (65 O.P. Alcohol)               | 91.1                                     | 94.1                                     | 165.0                                        | 188.2                                       |
| Proof Spirit (British)          | 49.28                                    | 57.1                                     | 100.0                                        | 114.2                                       |
| Proof Spirit (U.S.A.)           | 42.5                                     | 50.0                                     | 87.6                                         | 100.0                                       |
| Scotch or Canadian Whiskey      |                                          |                                          |                                              |                                             |
| (25 U.P.) as sold in U.S.A.     | 36.0                                     | 43.4                                     | 75.0                                         | 86.8                                        |
| Scotch or Canadian Whiskey      |                                          |                                          |                                              |                                             |
| (30 U.P.) as now sold in Canada | 33.3                                     | 40.1                                     | 70.0                                         | 80.2                                        |
| Fortified or Dessert Wines      |                                          |                                          |                                              |                                             |
| range 16% to 22% by volume      | 16.2                                     | 20.0                                     | 35.0                                         | 40.0                                        |
| (average)                       |                                          |                                          |                                              |                                             |
| Table or Natural Wines          |                                          |                                          |                                              |                                             |
| range 8 to 14% by volume        | 7.8                                      | 9.7                                      | 17.0                                         | 19.4                                        |
| (average)                       |                                          |                                          |                                              |                                             |
| Beer Canadian (average)         | 3.9                                      | 4.88                                     | 8.51                                         | 9.76                                        |
| Beer American (approximate      |                                          |                                          |                                              |                                             |
| average)                        | 3.59                                     | 4.5                                      | 7.8                                          | 9.0                                         |
| Beer American 3.2 (certain      |                                          |                                          |                                              |                                             |
| States only-termed "non-        |                                          |                                          |                                              |                                             |
| intoxicating")                  | 3.2                                      | 4.0                                      | 7.01                                         | 8.0                                         |
| Beer Sweden (home market        |                                          |                                          |                                              |                                             |
| prior to Oct. 1, 1955)          | 2.8                                      | 3.5                                      | 6.1                                          | 7.0                                         |

United States "proof spirits" contain 50% absolute alcohol by volume compared to 57.1% absolute alcohol by volume in British "proof spirit".

Comparative strengths are taken from tables in "Facts on Brewing Industry in Canada" and "U.K. Brewers Almanac 1954".

What is meant by intoxication?

The Staff of National Forum Inc. has defined it as follows:<sup>1</sup>

“Strictly speaking, intoxication is a toxic (poisoned) condition of the body . . .

“The term . . . does not refer to any exact stage, which when reached, labels the drinker as “intoxicated”. It is a general term which incudes both slight and marked effects of alcohol. Technically, intoxication begins with the first sip, which affects the highest mental functions. This effect usually is not detected by others. As more alcohol is consumed the intoxication becomes increasingly evident to the observer. It is difficult to determine just where sobriety ends and intoxication begins. In other words, there are various degrees of intoxication.

Degrees of Intoxication

“The degree of intoxication depends upon the quantity (concentration) of alcohol in the blood stream. This concentration can be determined by chemical analysis. If there is 1 drop of alcohol in each 1,000 drops of blood, the concentration is said to be 1 drop per 1,000 or .01%. (The following table) shows how one is apt to behave with various concentrations of alcohol in the blood stream:

DEGREES OF INTOXICATION

| Concentration                     | Effect on Mind and Body                                                                     |
|-----------------------------------|---------------------------------------------------------------------------------------------|
| Drops per 1,000<br>Drops of Blood |                                                                                             |
| Near 1 Drop                       | Some inhibitions removed<br>Sociable and confident<br>Skill and judgment less accurate      |
| 1 to 2 drops                      | Tends to over-do things<br>Talkative-careless-funny<br>Skill decreased - will weakened      |
| 2 to 3 drops                      | Sees double - totters<br>Incoherent - fumbling - boisterous<br>Feeling and pain lessened    |
| 3 to 4 drops                      | Action slow - breathing difficult<br>Staggering - muttering<br>Indifferent - semi-conscious |
| 4 to 5 drops                      | Down and out<br>Dead drunk                                                                  |
| Over 5 drops                      | In danger of death                                                                          |

1. The Alcohol Problem Visualized. Prepared by the Staff of National Forum, Inc.  
pp. 18-21.



“Human behaviour as depicted may be divided into three levels . . . the order in which they are affected by alcohol” (is as follows) :

## BEHAVIOUR LEVELS AND ALCOHOL

### Level No. 3 Acquired Mental Skills

Judgment, sensitiveness, self-criticism, and caution

“The third and highest level of behaviour is affected first by alcohol. This level consists of mental skills acquired through education and experience, and includes ability to reflect on facts observed, to make sound judgments, to exercise self-criticism and caution. This behaviour level is affected by even small quantities of alcohol. Professor W. E. Dixon says, “It has been shown that attention, judgment, and the higher intellectual processes are retarded at once by amounts of alcohol insufficient to intoxicate.” Evidently Dr. Dixon considers “intoxication” to be “noticeable effect on physical behaviour.”

### Level No. 2 Acquired Physical Skills

Games of skill, clear vision, walking, and speech

“The second level of behaviour consists of acquired physical skills, most of which are learned early in life. It includes walking, talking, hearing, athletic and technical skills. This level is the next to be affected seriously.”

### Level No. 1 Innate and Biological Functions

Coughing, sleep, digestion, and heart action

“The first behaviour level consists of basic biological activities which we think of as involuntary. It includes breathing, circulation of the blood, and digestion. These functions are well developed at birth. This level is the last to be seriously affected by alcohol. A large quantity must be consumed to impair the functioning of the vital organs. Obviously a person is in a dangerous condition when he is “under the influence” to this degree.

What is meant by “food” as the term is sometimes used in discussions about alcohol?

Dr. Haven Emerson\* defines it as follows:

“What we eat and drink that is useful for the production, growth, activity, repair, and normal or healthy life of the human body and its various parts is properly described as food, particularly if in eating and drinking substances that serve our bodies in these ways these foods do us no incidental damage otherwise than through their use in excess . . .

“Foods serve to build the body from infancy to maturity; to repair the losses of body-tissue due to use, reproduction, disease, etc., and to supply energy, expressed as heat, and visible motion, i.e., in work or mechanical energy.

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\*In “Alcohol — Its Effects on Man”.

"Although a substance may provide heat or energy for the body, if it cannot serve to repair or build tissue or if it cannot be stored in the body for subsequent use when needed, it is not ordinarily thought of as a food. To clarify our minds, then, let us use the distinctions among the different kinds of foods as given by the physiologists and see whether in one or another class of foods we can properly include alcohol.

"Class 1 foods are those which not only serve as fuel and thus supply energy (heat and muscular and glandular activity), but provide the materials from which the body repairs loss of structure or adds to its parts in the process of growth and development and reproduction of its kind, and which can be stored for later conversion and oxidation. The proteins — the albuminous or meaty foods, alone meet this standard. These with water, salts, and vitamins theoretically could supply all the bodily needs for food.

"Class 2 foods are those which serve as fuels and can be stored in the body for later energy needs. Both fats and carbohydrates satisfy this definition.

"Class 3 foods are those which can act as fuel, but only for immediate needs of the body, since they can neither be stored for future use nor converted to other substances capable of storage. They cannot be used to form new materials or substances useful to the body.

"Alcohol is really the only substance which meets this last definition of a food. Alcohol can, and within certain well-determined limits and conditions does, act as a fuel-food for immediate production of energy, heat, and work of the body, but it fails to serve the body in other respects, as do what we recognize ordinarily as foods — meats, fats, and sugars. Alcohol can take no part in the creation, growth, building, or repair functions of foods, but by sparing to some extent the use of proteins and fats of the body it permits their storage.

"Furthermore, it must be noted that Alcohol has certain drug and poison effects upon the human body, absent in foodstuffs of the other two classes, which makes it unfit for inclusion in the diet of the child, and its use for physical work unwise, because of the inferior performance resulting from its replacement of meat, fat, or sugar in the diet of a healthy person.

"In spite of these limitations, alcohol\* is included as a food in the daily dietary of many people to the extent of as much as one-fifth of their fuel-food needs, in those countries where fermented liquors — wines and beers — are cheaply produced and universally available and where people are engaged mostly in outdoor agricultural laboring occupations requiring the use of the large muscles of trunk and limbs.

"Alcohol is not included in the list of some thirty-seven food essentials known to be desirable to ensure healthy growth and activity of the human body from prenatal life in the mother's body to advanced old age. This is

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\*Usually in the form of beer or natural wine.

because alcohol, although in a strictly limited sense it can be spoken of as a fuel foodstuff, is in no sense, under conditions of health, necessary or desirable as a food. It is never, except from ignorance, included among the foods of children's diet. It is almost universally excluded from the diet of persons devoted to athletic excellence or to skill requiring a high degree of rapidity, accuracy, or endurance of muscular response to the brain. It is not advised by physicians as an article of diet for healthy persons of any age, and when it is used under medical direction it is added to the diet for its drug or medicinal properties more often than as a food. When it is prescribed as a foodstuff, as in diabetes or in convalescence from a fever, it is as a temporary substitute for other food substances which are, because of the disease, for the time being unsuitable or less easy of absorption for energy needs.

What is meant by "control" as used in the title of the Manitoba Liquor Control Act?

This is a term which has come into general use in connection with Liquor legislation since the Government Liquor Control laws of the last third of a century have come into common use in Canada. It usually refers to control in one or other or both of two senses — control of the administration of the law by a Government Department or control in the sense of the Government being in the business itself through a Board or Commission. For example, the present Manitoba Law has been known as a "Control" Law ever since the Government was placed in the Liquor business by the referendum of 1923.

Why is there need for a "control law" about liquor?

Because the "liquor" here referred to means alcoholic beverages, the trade in which for several centuries has been considered by all countries to require control because of its anti-social effects. This trade is now in fact controlled to a greater or lesser degree by all countries.

The prevalent view of the position of the liquor trade in the business world has been well expressed by different authorities as follows:

"The drink trade differs from practically every other business which provides articles of consumption. It is to the interest of the community to increase and stimulate the consumption of milk, bread, etc. It is not to the interest of a community to stimulate and increase to the maximum the consumption of alcoholic . . . (drinks) . . . particularly the stronger drinks.

(Viscount Astor as quoted by Amulree  
Commission, sub 29,476 (3) p.1, 644.)

The Brewers' Gazette once wrote: 'Anyone may sell general provisions, anyone may vend greengrocery, under conditions which he is almost at liberty to determine for himself, and if the sale of alcohol were as innocuous as that of biscuits or oranges, similar liberties would obtain for the licensed victualler as for the retailers of other commodities. It is axiomatic that it

is because of the potentiality of drunkenness — that unfortunately is a corollary to the sale of alcohol — that restriction exists’.

Brewers’ Gazette, 24th September 1913.

“A trade does not exist immediately for purposes of social and economic welfare, but often its own interests and those of welfare coincide. In the case of drink, an increase in welfare means a reduction in the scope of the trade; indeed, as we have seen, a vast amount of legislation and a continuous and successful effort on the part of administrators and voluntary organizations has been effectively at work to bring about just such a reduction. Between them and the commercial interests of the producers and retailers of alcoholic liquor there is a direct, head-on conflict of attitude and action.”

(H. Levy, *Drink*—pp 206-207)

“For centuries peoples of many countries have sought to prevent or to eliminate the hazards that are privy to the unregulated manufacture, sale and distribution of alcoholic beverages. The pages of history contain considerable evidence that the public interest requires governmental regulation of this business, and our own experience confirms the general, if not always accurate, understanding of this necessity. It is acknowledged freely by the most ardent advocates of private enterprise and by the generality of members of the alcoholic beverage industry itself . . . .

“... They know that the liquor business is *sui generis*, and that it must be considered and treated differently than every other business. The principle is well established that certain anti-social conditions will inevitably flow from the operation of this business if uncontrolled by government, and that the lowest elements of society will attach themselves to it as parasites unless prevented from so doing by vigilant and resolute action by government.”

Alcohol Beverage Control. Joint  
Committee of the States to Study  
Alcoholic Beverage Laws.—pp 4-5

Walter Lipmann put it succinctly when he said, “The liquor industry differs from other industries in that its commercial expansion is not in the public interest.”

Quoted by C. A. Hearn; in “Alcohol the Destroyer”, p.84

What is meant by “method of sale”?

This phrase, as used in the Terms of Reference given to this Commission, refers not to all methods of sale, but specifically to “sale of beer, wine and spirituous liquors by the bottle or carton through Government controlled and operated liquor stores”.

What is “local option”?

The name given to a procedure by which a local community can express its opinion upon any aspect of the sale of liquor in its jurisdiction, — a decision by popular vote in a minor political division concerning the sale of alcoholic beverages. It is sometimes spoken of as the “Veto” power when used to deny the use of liquor in a local jurisdiction.

What is a "referendum"?

The submission to the vote of the electorate of a measure already prepared or passed by a legislative body.

What is a "plebiscite"?

A direct vote of the qualified electorate in regard to some important public question.

What is meant by "findings" in the instructions to this Commission?

Ordinarily the word means a verdict reached after judicious consideration of the facts. In this Report the term is not used in that precise sense. Here it does not mean a verdict or conclusion, but rather the information gathered by the Commission as to:

- (a) Details of the liquor law and its administration.
- (b) Summary of opinion expressed by Manitoba people.
- (c) Laws and experience of other jurisdictions and
- (d) Opinions of Specialists, etc.

What is meant by "recommendations"?

A recommendation of the Manitoba Liquor Enquiry Commission after its study of the liquor problem in Manitoba. These will be found set out at the end of each of the Chapters in Part II of this Report.

What are "liquids which are intoxicating"?

Liquids which contain sufficient alcohol to cause intoxication when consumed by man. Ordinarily the term includes "beer", "wine", and "spirits" each of which includes numerous varieties. Biologically a very small percentage of alcohol in a beverage may cause intoxication. The term has been defined by law in different jurisdictions. In Manitoba "any liquor which contains more than 2½% of proof spirits shall be conclusively deemed to be intoxicating". (2½% proof means approximately 1¼% of alcohol by weight.) In the United States beer is defined as intoxicating if it contains more than 3.2% alcohol by weight.

What are "spirituous, vinous and malt liquors"?

Spirituous liquors are distilled liquors in contrast to vinous liquors, which are made by fermentation. Whiskeys, liqueurs and brandies are spirituous. The natural wines are vinous. Malt liquors are made by brewing, a process in which malt, made generally in this country from barley, is the most important ingredient. Beer, ale, stout, and porter are malt liquors.

Spirits: Any beverage which contains alcohol obtained by distillation mixed with drinkable water and other substances in solution, e.g. brandy, rum, whiskey, and gin.

## GLOSSARY OF TECHNICAL TERMS

What is meant by each of the following terms as used in the Liquor Control Act, in the instructions to this Commission, or in this Report?

"Off Sale", or "Off-premise Sale, or sale for "Off-premise Consumption:

Sale of bottled liquor for the purpose of consumption at a place other than the premises where sale took place.

"On Sale" or "On-premise sale" or sale for consumption on the premises:

Sale of beer, wine or spirits by the glass for consumption on the premises.

"Beer Parlor": A licensed portion of a hotel where only beer by the glass for on-premise consumption is sold.

"Beer Vendor": A hotel licensee who may sell beer in cartons or packages for off-premise consumption.

"Liquor Store": A government liquor store established by the G.L.C. Commission under the Government Liquor Control Act, 1928. A Government operated store in which packaged liquor of all kinds may be sold for off-premises consumption, the profits going to the State and not to licensees.

Club: Any association of individuals for purposes of mutual entertainment and convenience incorporated by or under an Act of the Legislature and the premises occupied or used for any such purpose. The term "Club" also includes veterans' organizations or Clubs.

Canteen: (Military) — "military canteen" means any mess or canteen operated in connection with the units of the Canadian Militia, the Royal Canadian Mounted Police, the Royal Canadian Naval Volunteer Reserve and the Royal Canadian Air Force, in the camps, armouries and barracks of such units in Manitoba; (and "canteen licensee" means the person named in a subsisting license to any such mess or canteen.)

Bootlegger: One who deals in the secret and unlawful manufacture, transportation or sale of liquor. In Manitoba there are two common kinds of bootleggers. The first manufactures his own liquor; often a very strong beer which is home-brewed, but also distilled spirits made in illegal stills. The second kind resells illegally liquor which may have been purchased from the Government Liquor Commission. This second type caters to the persons wishing to drink secretly or to drink outside of hours, or to drink in small or large groups in other than permitted places.

Inhibition: A restraint or check to an action or impulse. Inhibitions are in the main of two sorts: social or personal. Social inhibitions are the restraints society trains in the individual against anti-social acts such as sexual looseness and violent aggressiveness. These in-

hibitions are generally good, and one of the valid social objections to the use of alcohol is that its use reduces or removes these restraints to anti-social acts. Personal inhibitions are of another sort; they may be good, as when they result from a high personal moral code; or harmful as when they result from personality difficulties. Of this last group are such socially undesirable inhibitions as shyness, inability to talk to the other sex, a gross sense of personal inferiority which prevents normal responses to other people. Alcohol reduces these personal inhibitions and thus assists the social functioning of personally maladjusted persons. On the other hand, great dependence on alcohol to achieve social adjustment leads inevitably to alcoholism.

**Euphoria:** Feeling of well-being. One of the early, much desired effects of the consumption of alcohol.

**Tension:** Nervous state arising from the inhibitions of modern society, complexities of modern life or the worries of business or other affairs. Said to be one of the chief causes of drinking; and the lessening of which is considered to be the chief benefit, though a temporary one, from drinking.

**Frustration:** A nervous or disturbed state of mind arising from disappointments and difficulties of various sorts. Like tension it is said to be one of the causes of drinking since it is temporarily lessened or removed from the mind by drinking.

**Impaired by Alcohol:** Having the normal efficiency reduced through consumption of alcohol — technically in some jurisdictions any car driver having more than .05% alcohol in his blood is impaired.

**Alcoholic:** "Alcoholics are those excessive drinkers whose dependence upon alcohol has attained such a degree that it shows a noticeable mental disturbance or an interference with their bodily and mental health, their inter-personal relations, and their smooth social and economic functioning; or who show the prodromal signs of such developments." (World Health Organization Tech. Report Series #48.)

"An alcoholic is someone whose drinking causes a continuing problem in any department of his life". (Marty Mann: A Primer on Alcoholism, P. 61.)

A compulsive drinker; one who cannot be certain after the first drink when his drinking will stop.

**Alcoholism:** The disease suffered by alcoholics; a condition in which the repetitious drinking has produced a physical and psychological state in which the interruption of drinking leads to frustration and symptoms similar to the withdrawal symptoms in addiction; the compulsion to drink which is stronger than the individual's will not to drink.

**Chronic Alcoholism:** That stage of alcoholism in which, as a consequence of drinking for a long period of time, the drinker suffers from one of the mental or physical complicating diseases of alcoholism such as cirrhosis of the liver, delirium tremens, korsakoff's, psychosis, avitaminosis, etc.

**Delirium Tremens:** A type of acute insanity associated with alcohol and marked by trembling and great excitement, and attended by anxiety, mental distress, sweating and pain.

**Problem Drinker:** A drinker whose excessive drinking has led to excessive drinking habits or to financial difficulties.

**Permit:** A written authority issued under Government Liquor Control Act for the purchase of liquor pursuant to the provisions of that Act; "permittee" means the person named as permittee in a subsisting permit.

**Public Places:** As understood by the Act — any place, building or convenience to which the public has or is permitted to have access and any highway, street, lane, park or place of public resort or amusement.

**Brewer:** A manufacturer of beer. (Chiefly from barley or other grains, by a brewing process.)

**Distiller:** One who distills alcohol from fermented products chiefly of grain and fruit.

**Vintner:** One who engages in the production of wine by the fermentation of fruits, chiefly grapes.

**Wine:** Any alcoholic beverage obtained by the fermentation of the natural sugar contents of fruits (grapes, cherries, etc.) or other agricultural products containing sugar (honey, milk, etc.)

**Beer:** Any beverage obtained by the alcoholic fermentation of an infusion or decoction of barley, malt and hops, and any other similar food products in drinkable water. A drink made from brewing cereal, usually malted barley, flavored with hops.

**Malt:** An intermediate product in the process of making beer from barley.

**Ale:** A malt beverage, darker, heavier, and more bitter than beer, containing about 6% alcohol by volume.

**Porter:** A heavy, dark brown beer made with malt browned by drying at a high temperature.

**Stout:** Strong ale or beer, porter of extra strength.

**Natural wine:** A wine the alcohol content of which has not been increased by addition of alcohol or by distillation, usually between 7 and 14%.

**Fortified Wine:** A wine to which alcohol has been added to arrest fermentation or to increase potency — may have twice the alcohol content of natural wine.



**Sparkling Wine:** A carbonated wine, produced by natural process as champagne, or by the addition of carbon dioxide.

**Whiskey:** A distilled alcoholic liquor made from such grains as rye, barley, maize, etc., containing commonly from 35 to 45% more by weight of alcohol.

**Scotch Whiskey or Scotch:** A whiskey made in Scotland by distilling the product of barley malt fermentation. Barley Malt, which is the main ingredient in the production of beer, is in this case fermented without the addition of hops and other ingredients added to make beer, and the result is distilled to produce a liquor differing greatly in flavor from the familiar rye whiskeys. Scotch is regarded as an excellent and choice whiskey by its users, many of whom affect a disdain for rye and bourbon.

**Canadian Whiskey:** Any of a variety of whiskeys distilled in Canada. Canadian Whiskeys vary in grain base, but all Canadian Whiskeys are highly regarded, and some whiskeys distilled elsewhere are said to employ the word "Canadian" as a selling point.

**Straight Whiskey:** Whiskey from a single distillation as compared to blended whiskey, in which the products of several distillations of different quality may be mixed.

**Rye Whiskey or Rye:** A whiskey in which rye is the grain used.

**Bourbon Whiskey or Bourbon:** A straight whiskey distilled from a mash containing 51% or more corn. Named after Bourbon County, Kentucky.

**Blended Whiskey:** A whiskey made by blending two or more straight whiskeys or adding proof spirits for the purpose of reducing cost or improving flavor.

**Bitters:** A liquor — generally a spirituous liquor — in which bitter herbs or roots are steeped. This strong, pungent liquid is used as flavoring for mixed drinks and is not designed for straight consumption.

**Gin:** An alcoholic beverage made by redistilling spirits with flavoring agents, especially juniper berries.

**Rum:** An alcoholic liquor distilled from molasses or some other sugar-cane product. It has a high alcoholic content.

**Brandy:** A spirit distilled from the fermented juice of fruit, especially of grapes.

**Liqueur:** A strong, sweet, highly flavored alcoholic liquor such as chartreuse, creme de menthe, etc.

**Cocktail:** A mixed drink made usually with a strong liquor base plus other ingredients such as bitters, a liqueur, sugar, fruit, etc.

**Highball:** Whiskey served with soda-water or ginger-ale ordinarily in a tall glass.

**Moonshine:** Illicitly distilled liquor.

**Narcotic:** A drug which dulls the senses, relieves pain, and induces sleep.

**Anesthetic:** A substance which produces insensibility to pain.

**Analgesic:** A substance which removes or relieves pain.

**Sedative:** A substance which reduces irritability or excitement.

**Addict:** One given to or controlled by a habit, as the drug habit or the habit of drinking alcoholic beverages.

**Addiction:** Overpowering desire or need for a habit; a compulsion, with tendency to increase dosage, and with psychic and physical dependence on a drug.

**Stimulant:** Something that temporarily quickens some vital process or the activity of an organ or part of the body. The term is incorrectly used when applied to an alcoholic beverage, under the mistaken notion that alcohol stimulates.

**Cortical Depressant:** Something which reduces and slows the activity of the cortex, i.e. the outer layer of the brain. Alcohol is primarily a cortical depressant.

**Jigger:** A measure used by the liquor trade,  $1\frac{1}{2}$  oz.

**Pony:** A measure of drink used by the trade,  $\frac{3}{4}$  oz.

**Shot:** A small glass, or measure of liquor used by the trade, 1 oz.

**Mickey:** In Western Canada, a 12 oz. bottle of liquor. In other places, a Mickey Finn, a drink to which knock-out drops have been added.

**Rubby-dub:** Slang for rubbing alcohol and other non-potable alcoholic mixtures; a person who drinks such liquids.

**Spike:** To make a non-alcoholic drink alcoholic, as when whiskey is poured in a simple fruit punch; or to increase the alcohol content of a drink as when whiskey is added to beer.

**Lush:** Slang for an excessive drinker.

**Skid-row:** The part of the population which has been completely demoralized by alcoholic consumption; the part of a town frequented by such persons.

**A.A.:** Popular term for Alcoholics Anonymous or one of its members.

## CHAPTER IV

### THE ACTION OF ALCOHOL ON THE HUMAN BODY

Introduction — Alcohol and the Human Body — Effects of Liquor on Behaviour —  
Alcohol, Its Effect on Man

For fifty centuries or more, man has had some record of the strange effects of fermented beverages on the human body. During most of that time he knew that taken in excess liquor made men drunk, and that taken in moderation it relaxed his mind temporarily, reduced his tensions, and exhilarated his spirits for a brief space. During most of those centuries he knew little else about it. He did not even know what constituent in the fermented beverages produced the effects he was so well acquainted with. He did not then have experience with distilled liquor, which is a discovery of recent times. Nevertheless during all ancient times, there were efforts to prevent the excessive use of wine; there was wide acceptance of its moderate use, while in rare instances only was its consumption prohibited.

Western civilization has brought new complexities, as well as new light to the liquor problem. The last century has seen the vastly increased tensions of modern life and greatly increased knowledge of alcohol and its diverse effects. Man now knows that the intoxicating beverage he drinks contains alcohol in various proportions. He knows the chemical and physical nature of this drink, its age old hold upon man, and its unfortunate effects on his body and mind and behaviour, particularly when taken in excess.

But all men do not know these facts, and many are confused by conflicting opinions. Certain commercial interests and others seek to have alcohol considered a social asset. Many people seek to have it classed as the cause of much of our crime and disease. This widespread disparity of views has left the public in a state of conflict and bewilderment. In most countries, the majority of adults use it, yet there is little similarity in the way that any two of them control it. Nevertheless every modern state in the world looks upon it as a problem drug, and does something, either little or much, to try to regulate and control its manufacture, sale and consumption.

It is the purpose of this Chapter to draw upon the experience of recognized authorities, and present the modern views of the effect of liquor on man — what alcohol does to the human body.

#### **Alcohol and the Human Body\***

Any discussion of the effect of alcohol on the body should recognize at the outset the extreme variability of such effect. Exceedingly small quantities may produce no demonstrable effect; somewhat larger quantities may produce no immediate effect but oft repeated may produce very profound ones; larger quantities are always effective and their repeated use is fraught with danger to health; and excessive quantities may destroy

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\*The following material is an adaptation from Waddell & Haag,  
"Alcohol in Moderation and Excess".

life. There is furthermore a personal difference in susceptibility to alcohol; a quantity which may produce serious effects in one person may be ineffective in another. It is important then, to note the factors which regularly make for variability in effect, and also to consider both the short and long time consequence of drinking.

Factors which determine the degree of intoxication:

- (1) The kind of beverage consumed. A small quantity of whiskey will intoxicate more than a large quantity of beer even though the two drinks contain the same amount of alcohol.
- (2) The total amount of alcohol consumed.
- (3) With or without food. If an alcoholic beverage is taken with food, the blood concentration is lower than if it is taken on an empty stomach. Certain foods counteract the effect better than others.
- (4) The rate of drinking. Rapid drinking will achieve high blood concentration, but sipping, even strong drinks, delays the rate of absorption by the blood and hence allows the loss by oxidation to lessen the concentration in the blood.
- (5) Adaptation through use. It is probable that habitual use of alcohol produces a kind of immunity in some individuals. It is certain that the habitual drinker who is accustomed to the effect of alcohol may be able to conceal part of the overt display of its effect.
- (6) Body weight. The effect of alcohol is proportional to the amount of alcohol consumed per unit of body weight.
- (7) Temperature of atmosphere. The warmer it is the more quickly alcohol takes effect.
- (8) Altitude. Intoxication takes place more easily at great heights.
- (9) Temperament of the drinker. Self-control effects especially the overt effects of drinking.
- (10) Immediate physical condition. Fatigue and illness promote the effect of alcohol in the body.

### **How Alcohol Works in the Body**

When due allowance has been made for the above factors, it is possible to describe what alcohol does in the body.

When strong drink is taken into the body the first effect is an irritation of the mouth, throat and stomach. This causes a flow of gastric juices and stimulates appetite. The effect disappears quickly if much alcohol is drunk. The same effect is not produced by beers and ales. When any alcohol has entered the stomach, a portion at once passes through the walls of the stomach undigested into the blood stream. How much passes from the stomach in this way depends upon the amount of food in the stomach, and in any case the process begins rapidly but commences to slow up at once.

Always in the case of some individuals and sometimes in the case of practically all individuals, a large amount of alcohol, especially in high concentrations, causes the pyloric valve at the entrance to the large intestine to contract. The result is that the alcohol is held in the stomach and nausea or vomiting usually results. For this reason some people never become excessive drinkers. They cannot keep it down. If this reaction does not happen, the alcohol passes from the stomach to the intestines, from where it passes very rapidly into the blood stream. It appears in the blood stream in almost equal concentration throughout the body, but since a generous supply of blood passes into the brain as a natural body function, its effect on the central nervous system is apparent almost immediately. Once alcohol enters the blood stream, it remains there, except for small quantities lost in breath and through the kidneys, until it is oxidized.

The oxidation of alcohol in the body takes place at a fixed rate. The notion that exercise burns it up more rapidly is false. Chopping wood or running around the block merely focuses the attention on other matters, and reduces the noticeability of the alcoholic effect. Methyl (wood) alcohol burns at a very slow rate, with the result that, if more is drunk in a period of days, it accumulates in the body. This is the cause of death from methyl (wood) alcohol poisoning.

Since alcohol oxidizes in the body it produces heat and energy; that is, it has caloric value; in other words, it is technically a food. It has, however, very definite limitations as a food.

- (1) Its value cannot be stored up in the body as the same values from ordinary food can be.
- (2) It contains no vitamins or minerals. This means that if it fills a large part of the caloric needs and little other food is taken, dietary deficiencies develop. Most of the long term harmful effects of drinking are the result of these dietary deficiencies.
- (3) It is expensive. There are only a few spots in the world where alcohol is a cheap source of calories, and in these places "nutritional alcoholism" is a common disease.
- (4) The digestive processes are impaired by large quantities of alcohol, and the taste buds are affected so that one loses his appetite for wholesome food.
- (5) Its effect upon the central nervous system makes its general use as food unwise, and
- (6) It exposes the user to the danger of habituation and the possible development of alcoholism.

Oxidation of alcohol takes place in the liver, where it is first converted to acetaldehyde, and then burned. The intoxicating effect is produced by alcohol which has been absorbed by the blood stream but not yet oxidized. The amount of intoxication is, therefore, measurable by the percentage of

alcohol in the blood, anything over .15% usually being taken to indicate serious impairment or drunkenness.

The chief effect of alcohol is that upon the central nervous system. This is both extensive and important but a number of minor effects may be noted before dealing with it.

#### Water Balance:

It was once thought that alcohol had a dehydrative action in the body, as it has a strong affinity for water. Now it is known that it shifts the balance from intra-cellular water to extra-cellular water. This fact would have little significance except that the result in excessive drinking is that the alcohol itself produces the thirst that leads to more drinking.

#### Respiratory system:

The first drinks of alcohol, especially in high concentration, stimulate breathing. This is quickly followed by a depression in the respiratory system, and the drunk breathes slowly and with great labor. Excessive quantity of alcohol may cause death by stopping the respiratory system, that is, by strangulation.

#### Liver:

Excessive drinking causes a fatty deposit on the liver. This condition may be righted if drinking ceases. No proven connection has been shown between this condition and cirrhosis of the liver. It is true, however, that alcoholics show a higher than normal incidence of cirrhosis.

#### Circulatory system:

Alcohol does not directly affect the heart or blood vessels, but it may reflexly stimulate circulation. It does cause dilation of the blood vessels of the skin, which produces an immediate sense of warmth but rapid loss of body heat. Its use for providing warmth in a human being should be confined to the comfort of the aged and the immediate relief of a freezing person who has been brought into a warm room. Its use in cold climates, because it causes loss of body heat, may be fatal. The folk wisdom of the Eskimos is said to have made them total abstainers.

#### Effect of alcohol on the Central Nervous System:

The most conspicuous effect of alcohol is on the brain and spinal column, which constitute the central nervous system. Pharmacologically alcohol must be described as an anaesthetic. It is a volatile chemical like ether and chloroform and its effects move progressively downward on the brain and its functions, as will presently be described. In its progress, it produces effects similar to other drugs. The first drink, especially of high concentration, causes some irritation, as smelling salts do, and a considerable release of inhibitions. These effects have led to its being classified for many years as a stimulant; but alcohol is entirely depressant in its effect. That does not mean that it depresses the drinker, but that the functions of the central nervous system are depressed.

Small quantities of alcohol release inhibition and produce euphoria or a general sense of well-being in the drinker. Insofar as this is the case, alcohol may be described as a sedative.

Large quantities of alcohol produce sleep, which entitles it to be classified as an hypnotic. Since the sleep produced by alcohol is accompanied by release from pain, alcohol is also a narcotic. An ounce of alcohol taken quickly will relieve the aching tooth, and it is, therefore, also an analgesic.

All of these consequences are brought about by its effect on the central nervous system, especially on the cortex of the brain, so that it is most accurately described as a cortical depressant. This definition touches upon its most conspicuous effect, the one which produces all the other noticeable effects which give rise to other classifications.

Alcohol affects the brain downward through its functional divisions as follows:

- (1) Inhibitory Control
  - (2) Intelligence and Intellect
  - (3) Reflex actions and co-ordination
  - (4) Sensation and perception
  - (5) Voluntary muscular activity
  - (6) Vital or vegetative functions (respiration, circulation, nutrition, etc.)
- (1) Inhibitory Control. Inhibitory Control is the first function effected. Almost as important as the capacity to perform certain acts is the ability to refrain from others. This restraint is exercised by the inhibitory functions of the brain. The normal man does not punch everyone who annoys him. Neither is he very often guilty of anti-social acts. But the inhibitory functions are affected by even small quantities of alcohol. The first results are social ease and release from worry. With more alcohol, the man who cannot sing, does sing. Moreover latent aggression and amorousness rise to the surface. With more alcohol and more loss of inhibition, the anti-social, the immoral, and finally the depraved act becomes possible. Minor release of the inhibitions is one of the main reasons for moderate drinking. Greater release of inhibition leads to the rowdyism, violence and immorality which are among the serious effects of alcoholic excess.
- (2) Intelligence and intellect. These control the function of: attention, memory, reflection, observation, understanding, ability to learn, analysis, criticism, judgment, initiative, moral sense, willpower, fear, confidence, love, hate, sentiment and esthetic sense. All are controlled by the fore part of the cerebrum and suffer quickly from the presence of alcohol in the blood. This depression is caused by the interaction of the slowed reception

of stimuli, which makes impressions on the brain weaker and by a direct depression of cells and nerve fibres of the intellectual areas resulting. While the effect on these various functions changes the personality in many ways, (transforms love to hate, makes the drinker maudlin, permits ridiculous and even shameful judgments), it is most serious on the level of will power and moral sense. Decision becomes difficult to make and sustain, and it may be made wrongly in view of the facts. But even worse the moral restraint which prevents anti-social action and even a depraved course of action is no longer active. Continued use of alcohol, especially if alcoholism develops, cause progressive deterioration of these functions. From this fact arise the most serious consequences to society of the use of alcohol.

- (3) Reflex action and co-ordination; these play a great deal larger part in our living than we usually recognize. Many of our actions are so completely reflex that if we try to think about them we find we cannot manage them at all. Moreover, our simplest conscious act is likely to require elaborate co-ordination; we cannot put our finger to our nose if eye and arm do not work together. Therefore, as alcohol affects these functions (and it does so very early), we show the gross signs of drunkenness. The stumbling gait, the slurred speech, upsetting glasses, these are marks of the depression of the function of the reflexes and co-ordination. More seriously the act of putting the brakes on a car or swerving to avoid collision must take place at a reflex level if they are to be quick enough to do any good. What is more, the latest learned actions are affected first, so that the drinker early loses many useful skills. This explains why drunken youth is such a pitiful sight; most of his maturity is newly-learned.
- (4) Sensation and perception — Alcohol depresses the sense areas of the brain so that they receive impulses only faintly or not at all. The former effect produces lessening of sensation, e.g., pain is reduced as it might be by aspirin. The latter produces anesthesia such as is produced by ether. This is the source of the popular expression that the drunk is “feeling no pain”. This depression of reaction has different effects on different senses.
  - (a) Pain, touch, heat and cold. Perception of these is lessened with increasing amounts of alcohol until complete anesthesia results. The consequence may be unnoticed injuries and burns or serious exposure to cold.
  - (b) Sight. Early effect on sight is tunnel vision, i.e., inability to see objects on either side, lower recognition of red and



green and generally dimmer sight with lessened recognition of distance. These facts increase probability of accident, especially among drivers.

- (c) Hearing lessens, until with large quantities it disappears. This makes first for loud talking and general noisiness and finally for failure to hear warning sounds.
- (d) Deterioration of the sense of smell is unimportant except as it may contribute to the drinker's acceptance of personal physical laxness and a grosser environment.
- (5) Voluntary muscular activity. Small quantities of alcohol stimulate motor areas and cause unnecessary, often badly directed movement. Glasses are upset; the amount of gesticulation suggests the onset of intoxication. Increased amounts lessen the activity and even further impair its efficiency. Very large quantities stop motor activity and cause paralysis of the muscles.
- (6) Vital or vegetative functions. Too much alcohol (a quantity so great that it is almost impossible for a man to manage its ingestion) causes breathing to cease or the heart to stop. This happens seldom, say when a bet is made to consume a pint of whiskey without stopping. With an alcohol blood content of .4% or more the vital functions are impaired. With .5% or more death is likely.

### **Effects of Liquor on Behaviour**

While there is great variability in the effects of alcohol on the body due to a number of factors, there is even greater variability in its effect on behaviour, which has been under the trained restraints of many years. Certain individuals will be seen to drop inhibitions quickly and display overt signs of intoxication at an early stage. These drinkers lose all control very rapidly and after heavy drinking, are guilty of gross behaviour.

Since the restraints of the young are relatively newly learned, the above effect is usual when they drink. This is one of the more important reasons why the young should not drink and why an intoxicated youth is so often a deplorable sight. Among mature people, in contrast to those showing little restraint, there are many strong controlled personalities, — the type of whom one says, "He would never do such a thing". Such persons seldom drink to excess; but when they are unwise, their conduct seldom becomes violently anti-social. This, of course, ceases to be true if such a person becomes an alcoholic as some of them do.

Two factors in addition to the usual personality pattern effect overt display of the effect of alcohol. First, for some unexplained reason, perhaps because he drinks to release the second personality, the alcoholic becomes a quite different person under the influence of drink. This transformation is

one of the notable symptoms of alcoholism. Secondly, the habitual drinker gets his "sea legs", that is to say, he becomes familiar with the effects of alcohol on him and learns to control their display to some degree by conscious effort. A person who has drunk heavily for years may be able to conceal even advanced intoxication from all but a very skilled observer.

The changing pattern of behaviour which results from drinking more and more is similar in most persons, differing only in degree. With the first drink the individual becomes relaxed and at ease. He enjoys the feeling of euphoria or well-being that is the chief attraction of alcohol. He talks with ease, smiles pleasantly, and seems quite self-assured. It is probable that his physical skill is slightly reduced, but with this small amount it will not be to a perceptible degree.

With more alcohol he becomes quite talkative and loud. He is everybody's friend and likely to be detailed in his explanation of his fondness for strangers. He may, also, become argumentative, even to the point of physical aggressiveness. More likely, however, he finds that everything is funny. All jokes are good jokes; but if there are no jokes, his imagination conjures up amusing things, or he finds anything that he sees or hears very amusing. He tells long, pointless stories and generally tends to be somewhat boring to sober judgment. He becomes careless about little things; leaves the door open, drops cigarette ash on the floor, gets names of guests confused. His lessened judgment makes him susceptible to suggestion, and he will indulge in projects such as swimming in a public fountain or hunting up stray dogs to take care of. His physical skill is deteriorating, and he may have to grope for his chair or he may even miss it.

It is at this stage and later that impulses of amorousness and aggression lose restraint. Improper advances may be made to respectable women, or the drinker may seek questionable sexual outlets which his normal restraints would forbid. This lack of inhibition is felt by many to lead to increased incidence of venereal disease among drinkers. It is in this stage that hidden aggression also comes forth, and the belligerent drunk makes his appearance. This type now gets into brawls both with and without cause. At this time the intoxicated man may strike a wife or child who annoys him.

The man now is a real menace behind the wheel of an automobile, but he is rapidly approaching the point where he may not attempt to drive; or, if he does, others will restrain him. Nevertheless, a driver in just such condition occasionally causes a serious accident or kills himself by piling his car against a tree or missing a curve.

One of the dangers at this stage is that the drinker feels that he is in complete control. He may speak amiably to perfect strangers on the street to show that he is sober. If challenged, he is likely to protest his sobriety, and will offer physical evidence to prove it.

In the next stage of drinking the individual is passing rapidly beyond the point where he is likely to do a great deal of harm to others. He is not

physically able to carry out very much violence unless it be quite wild and undirected, and at this stage he is incapable of the sexual act. By this time his vision is so impaired that he regularly sees double, and he may close one eye in an effort to achieve focus. He totters in his walk, falls over objects, and may miss his destination by several feet. His general lack of physical control is such that he upsets glasses and bottles, misses the glass when he pours liquor, and has difficulty in lighting his cigarette. His speech is incoherent, and he has trouble keeping his mind on the subject of conversation. He is exceedingly repetitious. He is still very talkative, though difficult to understand. His talk may be profane or obscene; he is often abusive; and he may be given to embarrassing confidences.

Presently the drinker's actions are slowed and performed with considerable difficulty and little skill. He has trouble getting into his coat and cannot button it. His breathing is heavy and stertorous. Now he staggers, and his gait displays his intoxication quite plainly. His speech is muttering and for the most part incomprehensible. He has become indifferent about most matters and may only respond at all to protect his own comfort. If he falls, he may lie where he falls. Though he may drink a little more, he soon goes to sleep or passes into a drunken stupor.

If he has had drink forced on him with rapidity in these last stages, he may pass into a dangerous coma. At such time he can pay no attention to bodily functions, and is likely to suffer from loss of evacuation control. On the other hand, if he vomits, he may strangle, and this strangulation in a state of unconsciousness is a common drunken death.

Repeated and continual drinking leads to another change in behaviour. Such a person's conduct and his excessive expenditures lead to serious family tensions. The result is often an increase in drinking because the drinker knows that his return home or the departure of guests will be the signal for unpleasantness. Accordingly he fortifies himself with ever greater quantities of alcohol. The disapproval of his drinking habits among members of his own social class may also lead him to seek other friends in a lower, less strict social group.

Two exceptional types of drinking behaviour should be noted. First is the pathologic reaction to drink. This is a very rare occurrence, fortunately, but sometimes a drinker becomes temporarily insane and runs berserk as the result of alcohol. Such a person leaves behind him an incredible trail of damage and violence and must finally be put under restraint. At this time he usually falls asleep and on awakening has no memory of what he has done. The cause of this reaction is not known.

The second exceptional type is the alcoholic; and since knowledge of the nature of this disease is likely to prove one effective deterrent to its development and an aid in rehabilitation where it already exists, the pattern of "alcoholic" drinking is treated in detail in Chapter XXIII.

## Specific Views of Others

The discussion so far in this chapter is a hurried survey of the views of several authorities. It is deemed expedient here to bring to the question the specific views of some others — one, an American authority; and an American group of eight, as follows:

“Alcohol, Its Effect on Man”—by Haven Emerson, M.D.

“Precautions in the Moderate Use of Liquor” — by Haven Emerson, M.D.

“Effects of Alcohol upon the Human System” by eight eminent American Authorities — Edited by Waddell & Haag.

Another and most valuable contribution to this phase of the subject will be found in Chapter X. It deals with Alcohol and its effect on the Human Organism by five British Authorities and should be read with this Chapter to get a more authoritative British view on the subject.

### “ALCOHOL — Its Effects on Man”<sup>1</sup>

Dr. Emerson, in the closing Chapter of his book, **The Effects of Alcohol on Man**, summarized the prevailing view on alcohol and its effect when used in beverages as follows:

... Those of us who grew up in the nineteenth century under the misinformation, the extravagance of expression, the biased and fanatical teaching of the effects of alcohol, will welcome for ourselves and our children the balanced and reliable statements which modern medical science offers in simple terms carrying conviction. In the press, among politicians, in social converse, among economists, the clergy, and men of business, contradictions of fact and irreconcilable opinions appear to be the rule.

It is, therefore, with relief and added courage that we find a remarkable unanimity of opinion expressed impersonally on the subject of alcohol by physiologists, immunologists, clinicians, psychologists, psychiatrists, and medical statisticians.

There is agreement among students and teachers of the medical and associated sciences on the following points:

- (1) Alcohol is a narcotic which, by depressing the higher centers, removes inhibitions.
- (2) Outside of the nervous system and the digestive tract, alcohol used as a beverage has little demonstrable effect.
- (3) It is a food utilizable as a source of energy and a sparer of protein, but it is such only to a very limited extent.
- (4) It is improbable that the quality of human stock has been at all injured or adversely modified by the long use of alcohol, although the effects on the individual are often devastating.
- (5) The therapeutic usefulness and value of alcohol are slight.
- (6) It may be a comfort and a psychological aid to the aged.

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1. Haven Emerson—pp. V-V11.

- (7) It does not increase, and it sometimes decreases the body's resistance to infection.
- (8) By releasing inhibitions, it makes for social ease and pleasure and herein lies one of its great dangers.
- (9) Its effects are best studied by changes of conduct.
- (10) It impairs reason, will, self-control, judgment, physical skill, and endurance.
- (11) It may produce situations from which crime and social lapses result.
- (12) It is a frequent destroyer of health, happiness, and mental stability.
- (13) Its use commonly lowers longevity and increases mortality.
- (14) It is used primarily for its psychological effect as a means of escape from unpleasant reality.
- (15) It constitutes an important community health problem.

After the facts of alcohol's action on men are known to science and described to, and understood by, the laity, there will remain at least two problems for the individual and his society to face. Each individual must decide for himself whether his own personal satisfaction in the escape from physical and mental unpleasantnesses, which alcohol in moderation may bring him at the cost of appreciable hazards to his own health and to his livelihood, warrants his exposing others, less capable of moderation, to opportunities of becoming users of alcohol to their own and society's damage and cost. How much is the pleasure of alcohol and its commercial exploitation worth in the terms of individual and social damage?

### **"ALCOHOL — Its Action on the Human Organism"\***

"In November, 1916, the Central Control Board (Liquor Traffic), appointed an Advisory Committee "to consider the conditions affecting the physiological action of alcohol, and more particularly the effects on health and industrial efficiency produced by the consumption of beverages of various alcoholic strengths, with special reference to the recent Orders of the Central Control Board, and further to plan out and direct such investigations as may appear desirable with a view to obtaining more exact data on this and cognate questions.

"The Members of the Committee were as follows:

Lord D'Abernon, G.C.M.G. (Chairman),

Chairman of the Central Control Board (Liquor Traffic).

Sir George Newman, K.C.B., M.D. (Vice-Chairman),

Principal Medical Officer of the Board of Education;

Member of the Central Control Board (Liquor Traffic).

Professor A. R. Cushny, M.D., F.R.S.,

Professor of Pharmacology at University College, London.

H. H. Dale, M.D., F.R.S.,

Head of the Department of Bio-Chemistry and Pharmacology under the Medical Research Committee, National Health Insurance.

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\*by Lord D'Abernon

N. Greenwood, M.R.C.S.,

Statistician to the Lister Institute of Preventive Medicine, and  
Reader in Medical Statistics in the University of London.

“... The part played by alcohol in social, industrial and economic life is so considerable that knowledge of its action on the human body might reasonably have been expected to be full and precise. . . . It is remarkable, therefore, that, throughout the world, lack of exact knowledge still prevails about the action of alcohol on the human system. No authoritative scientific work gives or seeks to give the required information; on many important points, which it is requisite to elucidate in order to regulate the proper and legitimate use of alcoholic beverages, and also to furnish practical guidance to the individual consumer, little of substantial value has been published in a form accessible to the general reader.

“In substance, this book is the outcome of the decision then arrived at. Its object is to separate what is knowledge from what is surmise, conjecture, or popular belief, and, by this preliminary clarifying of the question, to prepare the way for a further research. It may be claimed for the book that it is impartial, not only in the sense that the authors did not knowingly or of set purpose take sides with any existing body of opinion, but also in the further sense, that the writers have frankly admitted doubt, when the evidence appeared insufficient to establish a definite conclusion, and have further indicated with absolute sincerity the many points, some of them of great importance, regarding which no precise and scientific knowledge is available.

“It will perhaps be urged that this attitude of mind mars the authority with which the conclusions are put forward and that it would have been expedient to adopt a more didactic tone.

... In the final section of the Report will be found a brief summary of the principal conclusions to which the Committee have been led provisionally:

- (a) That the main action of alcohol (apart from the effects of its continued excessive use) is confined to the nervous system;
- (b) That alcohol is narcotic rather than stimulant in action;
- (c) That its nutritional value is strictly limited;
- (d) That its habitual use as an aid to work is physiologically unsound; and
- (e) That the ordinary use of alcohol should not only be moderate but should also be limited to the consumption of beverages of adequate dilution, taken at sufficient intervals of time to prevent a persistent deleterious action on the tissues.

“It is, of course, common knowledge that grave and widespread social evil follows in the train of excessive consumption of alcoholic beverages.

“The physiological findings contained in the present Report have not been influenced by preoccupation regarding the social issues.

But an increase of accurate knowledge as to the physiological action of alcohol cannot fail to be advantageous, both positively and negatively, to those whose duty it may be to deal with those issues . . .”

December, 1917

D'ABERNON.

## Effects of Alcohol Upon the Human System\*

### 1. Summary.

“The reader should not consider himself to be informed as to minute details from reading the ensuing paragraphs. He must study the complete treatise, which is here merely summarized.

“Alcohol (grain alcohol) is a clear, colorless, volatile liquid obtained by distilling fermented carbohydrate materials, such as wheat and corn. It has an affinity for and mixes with water and to some extent fatty matter, and tends to precipitate (harden) protein substances. It is the constituent which gives to alcoholic beverages their characteristic physiological effect.

“The most important of these beverages are: whiskey, made by distilling fermented cereals such as rye and corn; brandy, made by distilling fermented fruits; malt liquors (beer and ale), made by the fermentation but not the distillation of barley and wheat; and wine, made by fermenting but not distilling grapes and other fruits. Whiskey and brandy contain approximately 50% alcohol; malt liquors approximately 5%, and wines from 17 to 25%.

### 2. General Discussion of Action

“When alcohol is taken internally the effects produced are of two kinds, namely, local and systemic. The former pertains to those actions produced at the point of contact, such as on the mucous membrane of mouth, throat, and stomach. The latter (systemic) pertains to the actions after the alcohol has gained admittance into the blood stream and has been carried to all parts of the body.

“The local action of alcohol is brought about by virtue of its volatility and the changes produced in the proteins, fats, and water of the cell protoplasm. When applied to the skin it is cooling (because of its volatility), cleansing (because of its solvent effect), toughening (because of its precipitating action), and antiseptic (because of its inhibiting action on bacteria). The mild irritation of the mouth and stomach produced by small quantities of alcohol tend to favor digestive processes in the stomach and intestines; continued irritation of the mucous membrane can lead to disturbances of function and structure.

“The action or effects of alcohol depend on the production of alterations in the protoplasm of the tissues and these in turn lead to disturbances in physiological function. The latter, although sequels of the former, are more demonstrable by far and are accordingly of greater significance. In

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\*by J. A. Waddell and H. B. Haag.

other words, profound changes may be effected in operation without detectable tissue changes.

"The effects of alcohol may be acute, that is following the ingestion of single doses and usually disappearing quickly, or chronic, following the use of alcohol over a prolonged period of time and usually quite persistent or permanent. In all considerations dealing with effects, it must be borne in mind that they are not producible equally by all concentrations of alcohol. Indeed, there are many variable factors to be considered, such as the total quantity, the concentration, the frequency of ingestion, the time relationship to taking food, the habitual use, and the peculiarities of the individual himself.

### 3. Nervous System.

"After absorption the main action of alcohol is on the central nervous system which it mainly depresses, the extent of the depression depending on the concentration of alcohol in the blood. Alcohol tends to depress first, the inhibitory controlling functions of the brain in general, and also those most recently acquired human traits of judgment, sense of responsibility, will power, and after excessive amounts, moral integrity. Because of depression of the inhibitory areas there might be evidences of stimulation because the individual will then perform deeds which he refrains from doing ordinarily, because of his better judgment (inhibitory control).

"Next to be affected are the intellectual functions; then the sensory and reflex activities; then the motor, and finally, after large quantities, the vital nervous centers dealing with the functions of respiration and circulation. These can be so depressed by excessive amounts of alcohol that death might result from failure of respiration and circulation.

"There are variations both in the degree and rapidity with which the sense areas are depressed. The sensation of pain is depressed by very small doses. Small quantities of alcohol might increase the sensitiveness of sight to red and green colors; they decrease it for light and shadow. However, even moderate quantities decrease the acuteness of vision, including the appreciation of red and green colors, and excessive quantities abolish vision altogether. The sense of hearing is diminished by small and completely paralyzed by larger doses of alcohol. The sensations of touch and pressure are diminished in acuteness, even by moderate amounts. All of these actions are important in considering the part alcohol might play in impairing efficiency and increasing likelihood of accidents, particularly automobile.

"While small quantities of alcohol may stimulate certain motor functions, such as those involved in making a simple movement such as a kick, the more complicated and delicately adjusted movements, such as those which characterize most of our actions, are decreased in efficiency. Large quantities of alcohol abolish the activity of the motor areas and produce loss of motion and paralysis of the muscles controlled by these brain areas.

"In the ordinary operations of the body and also in skilled performances no nervous functions are of greater importance than those involving the re-



flexes and coordinations. Through the mediation of them such vital phenomena as respiration, circulation, and nutrition are controlled and rendered efficient for the needs of the body. Furthermore, all skillful movements depend on their integrity and unimpairment; for quickness, accuracy, and reliability as to the way in which an act shall be performed are inseparable from perfection in coordination and reflex responsiveness. Exceedingly small quantities of alcohol impair these mechanisms and large quantities even abolish them. An apparently unaffected person, in whom there are none of the outward signs of intoxication, may really be so affected as to be inefficient in the use of his hands and eyes. Such is particularly likely to be the case when one is engaged in the operating of machinery or driving a motor car.

“While alcohol is in general a depressant to the intellectual functions its play on them is variable, both in the same individual at different times and in different individuals. It is not possible to make any generalized statements, for the depression of certain faculties appears in some instances to quicken certain others, at least temporarily. Young persons are more profoundly affected than adults; and the just mature more than those in middle life. Tolerance here plays its part; but no rule can be applied, since inveterate drinkers may in some respects exhibit as great an involvement as novices. Individuals of unstable temperament are likely to show exaggerated effects. As a result of depression of the intellectual areas alcohol brings about an impairment in thinking, reasoning, learning, memorizing, and also a decrease in initiative, pride of accomplishment and pertinacity. Due to depression of the inhibitory controlled areas (the brakes) there may be a weakening in the moral fiber and the power of the will after the ingestion of more than moderate amounts. Long continued over-indulgence, in susceptible persons who may be any John Doe or Richard Roe may give rise to severe mental disease.

“Peripheral neuritis, an affection of the peripheral nerves, which is characterized by intense pain and may result in sensory and motor paralysis, is not rarely an accompaniment of the use of alcohol. Recent investigations, however, indicate that drinking is an indirect rather than a direct cause; for instance, the use of alcohol interfered with the body’s securing and utilizing a sufficient supply of the indispensable accessory food factors called vitamins, particularly of the one designated as B.

#### 4. Respiratory System.

“Alcohol in small doses might, because of its irritation on the mouth and stomach, reflexly stimulate the respiratory center, otherwise no appreciable changes are produced. Large doses depress the center. Excessive use of alcohol tends to lower the resistance of the respiratory system to various diseases.

#### 5. Circulatory System.

“Moderate quantities produce no appreciable effects other than by local irritation of the throat and stomach, reflexly quickening the heart

rate, and slightly increasing the blood pressure. This mild irritating effect might be of emergency value in the treatment of mild cases of shock (fainting). Small doses of alcohol bring about dilation of the blood vessels of the skin making it red and warm. Excessive quantities markedly impair the efficiency of the circulatory system by dilating the blood vessels (due to action on a vasco-motor center in the brain), and decreasing the output of the heart; as a result of the blood pressure falls appreciably. The prolonged use of alcohol in excess may lead to degenerative changes in the heart muscle.

#### 6. Urinary System.

"Alcohol tends to increase the secretion of urine and in moderate amounts does not reach a sufficiently high concentration to damage the urinary tract in healthy persons. On the other hand, excessive quantities, and in persons of a diseased urinary system, small quantities, can produce irritation and damage to the kidneys and urinary tract.

#### 7. Digestive System.

"Small quantities of alcohol in dilute form do not appear as being harmful to the digestive functions of a normal individual. They may actually favor appetite, digestion and absorption. Large amounts of alcohol may markedly interfere with digestion, particularly gastric, and impair the function of the liver. Restoration to normal is usually affected by a period of abstinence. The excessive habitual use of alcohol for prolonged periods may definitely interfere with digestion in the stomach, damage the liver, and pervert absorption.

#### 8. The Skin and Body Temperature.

"Small amounts of alcohol, by dilating the blood vessels in the skin, make it red, warm, and moist, and so brings about an increase in the loss of heat. Large quantities act similarly, and because of their depressing effect on reflexes which normally tend to maintain heat production on part with heat loss, result in a lowering of body temperature.

#### 9. Reproduction.

"In general the weight of authority seems to be that in moderation alcohol plays, no significant established role in affecting either parenthood or offspring, however, the intemperate use of alcohol, by promoting and inducing untoward physical, moral, social, environmental, and economic states, and, possible by direct action on the germ plasm, can definitely influence both parenthood and offspring. The problem is complicated by the fact that alcoholic excesses in the parents depends, to some extent at least, on their innate physical and mental defects and the characteristics, which are inheritable rather than the acquired ones incident to alcoholism. By its depressing action on the inhibitory control centers, alcohol in more than moderate doses can lower the threshold of the moral sense and so lead to the perpetration of immoral sexual acts.

## 10. Absorption, Destruction and Excretion of Alcohol.

"When alcohol is taken by the mouth about 20% is absorbed from the stomach and 80% from the intestines. Absorption begins within several minutes after ingestion. Various factors in the ordinary course of drinking influence the rate of absorption and the consequent accumulation in the blood. The most important of these are: (1) the concentration of the alcohol, the dilute being slower than the strong; (2) the admixture with retarding substances, wines and beers being less rapid than spirits; and (3) the presence in the stomach of foods and non-alcoholic fluids, giving rise to retardation or dilution. In brief, the rapidity of absorption, the degree of accumulation in the tissues, and the intensity of the effect or the injuriousness is decreased by dilution of the beverage and by ingestion at or during meals. After absorption into the blood stream from 90 to 98% of the alcohol is destroyed by oxidation, yielding water and carbon dioxide. The small amount which is not decomposed is excreted chiefly by the lungs and kidneys.

"The ability of some individuals to develop a tolerance to alcohol depends chiefly on an increased rate of destruction plus an increased resistance on the part of the body cells. The degree of tolerance which can be developed is limited.

## 11. Individual Variations in Effects.

"Persons differ markedly in their responses to alcohol, even though it be consumed in the same quantities and the same manner. This holds not only in respect to the immediate intoxicating effects, but as well in the delayed persistent ones. In a general way, the public may be divided into three groups as follows: (1) Individuals of average susceptibility, who exhibit fairly concordant effects after a designated quantity and frequency. This includes the majority of persons. (2) Individuals of hyper-susceptibility, who because of abnormal physical or mental constitution, diseased conditions, and environmental influences, as compared with the average, are more profoundly affected, exhibit unusual responses, or suffer greater injury. (3) Individuals of hypo-susceptibility, who for unaccountable reasons, maybe physical or mental or both, are more resistant than the average. Unfortunately, these classifications cannot be made until after effects of alcohol have been tried out. It is important to note, and it should be used as a warning, that young persons are particularly susceptible to alcohol.

## 12. Metabolism and Food Value.

"Small amounts of alcohol seem to have no appreciable effect on the various metabolic processes going on in the body. One gram of alcohol yields about 7 calories in its oxidation by the body and it can substitute to some extent as a source of energy for fats, carbohydrates and proteins, although this is seldom desirable. Excessive amounts of alcohol interfere with the proper metabolism of proteins, fats, and carbohydrates. This is shown by the appearance of the abnormal by-products of these food stuffs

in the blood and urine. The blood tends to become acid after large quantities of alcohol, due chiefly to its effect on carbohydrate metabolism.

"Alcohol is quickly absorbed as such so that it does not require the digestive juices to prepare it for absorption and utilization by the body. It yields heat energy and because of this it has been looked upon as "sparing" the fats and carbohydrates. It is completely oxidized when taken in moderate amounts to the harmless substances water and carbon dioxide. The effect on the central nervous system, its tendency to bring about storage of fats, its effect on the digestive function, its cost, and its tendency to habit formation, all interdict its use as a food, except in some few conditions, and then it should be used only under medical supervision. The use of alcohol as a food might also entail the omission of some essential nutrients and vitamins.

### 13. Resistance to Disease.

"Small amounts of alcohol play no important part in bodily resistance to disease. The abuse of alcohol tends to lower the resistance of the body to disease in general, but particularly to those of the chest, as pneumonia. Such diseases as cirrhosis of the liver, nephritis, serious cardiac involvement, and arterio-sclerosis are rarely directly caused by alcohol. While they are frequently present in alcoholics, they are also common diseases among abstainers; so that, the influence of alcohol is, as yet, indeterminable. In brief, only guarded statements can be made; for if not a direct cause, it may have a contributory influence in the case of persons who are predisposed to the above afflictions.

### 14. The Relationship Between Effects and Quantity of Alcohol.

"The physiological effects of alcohol vary, depending upon its concentration in the blood. After a single dose it reaches its maximum in about an hour. When present in the blood to the extent of from 0.006 to 0.01% the person feels some euphoria, while behavior tests remain normal. At 0.015% there is some decrease in efficiency in performing more intricate tests; there is increased seriousness of automobile accidents although there are no visible signs of abnormal behavior. At 0.06% there is a definite decrease in motor control and from 0.06 to 0.1% one-third of the subjects studied were classed as inebriated. At 0.25% all were inebriated. At 0.4% the victims became unconscious. A concentration of 0.7% is looked upon as fatal. In the chemical examination of the blood for drunkenness in automobile drivers some states have adopted 0.15% as being indicative of drunkenness, since when this per cent is found in the blood a majority of persons are too drunk to handle a car safely. The concentration of alcohol in the urine is about 30% higher than in the blood.

### 15. Why the Alcohol Habit.

"Alcohol produces a feeling of euphoria, a sense of relief from fatigue and the cares of life, an increase in self-appreciation and self-satisfaction, a feeling of increased physical and mental ability, a relief from restraint.

These effects may occasionally be of distinct advantage in these modern days of high powered stress and strain. Any substance which offers such actions is a potential "habit" former, and so is the case of alcohol. While normal individuals might, upon repeated use of alcohol in excess, develop the habit, most of the habitues, it is felt, are recruited from the ranks of those with an unstable nervous makeup who frequently find in alcohol a surcease from their unhappy state.

#### 16. Acute Alcoholism.

"The effects produced by alcohol come on in from one-fourth to one and one-half hours, and depending on the amount taken, they may persist for from a relatively few minutes to many hours. The first stage of effectiveness is known as that of euphoria. In this the person is in a state of bodily comfort with freedom from care and anxiety. The normal restraints are eased and in some persons there is a disappearance of feelings of inferiority. There may be increased confidence in one's own physical and mental powers. If sufficient has been imbibed the subject may become genial, generous to friend and foe, argumentative, urbane, and sentimental. If no more has been taken than to produce these phenomena, the effects pass off within a few hours and after a night's rest, the only residue might be a headache and a feeling of lassitude. While no permanent harm has been done by this one experience the danger lies in the temptation to repeat and to repeat again and again until the habit is acquired. Should the imbiber not stop at the euphoria stage he then passes to the stage of excitement. In addition to the above symptoms there is further involvement of the intellectual faculties with impairment in ability to analyze, judge, and reflect. The reflex and coordinating apparatus may be depressed resulting in clumsy and incomplete movements. There is a blunting of sensations in general, inhibitory control is weakened; the brakes begin to slip; the person is excited (particularly if he is in the midst of convivial company), his face is flushed, eyes bright, and there is a desire to be "doing things" and "going places". Dignity in speech and movement gives way to loud talk and guffawish laughter and clumsy movement. If the bout continues the stage of depression ensues. In this stage the above symptoms give way to a picture of depression, the speech becomes slurred, indistinct, and finally a mere mutter. Walking, if possible at all, is with a marked swinging and staggering gait. The individual becomes disoriented, loses his bearings, and fails to recognize friends and familiar objects. His skin becomes pale, moist, and cold. Finally the victim lapses into a stuporous sleep punctuated by bad dreams and night-mares. The last stage of severe intoxication is that of coma. Here there is a loss of consciousness with complete loss of all sensation, such as hearing, seeing, pain, and touch. Reflex and voluntary activities are absent or very much depressed. Death may result from respiratory failure and marked depression of the circulation.

#### 17. Chronic Alcoholism.

"This is the condition produced by the habitual use of alcohol im-

moderately or excessively. It may be characterized by a variety of bodily derangements. Among these are digestive and liver disturbances, a tendency to diseases of the respiratory and circulatory systems, neuritis, alcoholic epilepsy, and changes in personality. Other alterations have also been described such as impairment of motor activities with the production of tremors and muscular unsteadiness; alcoholic delirium with illusions, hallucinations, delusions, delirium tremens, and finally alcoholic insanity.

#### 18. Consumption of Alcoholic Beverages.

"The per capita consumption of alcoholic beverages in Virginia in 1936 was: beer, 3.99 gallons; distilled spirits, .90 gallons; and wine, .12 gallons. These values are definitely below those for the nation at large for the same interval. The per capita consumption of alcoholic beverages from legal sources appears to be on the increase. This does not necessarily indicate that drinking is on the increase.

#### 19. Arrests for Drunkenness.

"It is estimated that over one million arrests were made for drunkenness during 1935. The number of arrests rises sharply in the age group of from 20 to 24 and continues to increase until middle life. By far the majority (94%) arrested are males. In 1936 approximately one-sixth of all offenses constituted intoxication; the number of arrests for drunken driving is steadily increasing. The rate of drunkenness is greater with city dwellers than with those living in the country. Having offended and been punished seems not to be a deterrent to repetition, for statistics show that many of the arrests are of persons who have previously been arrested one or more times. This is evidence both of the tenacity of the habit and of mental deterioration, in that there is a loss of the sense of shame and self-respect.

#### 20. Relation of Alcohol to Accidents.

"Alcohol can depress the functions of the central nervous system and thereby decrease the powers of control and attention, the desire for reciprocity, and the feeling of responsibility, as well as the attributes of unselfishness and courtesy. The senses of vision, hearing, touch, and position may become blunted. The reflexes and coordinating motor activities tend to be impaired. The very faculties which the "rules of the road" require to be keenly alert may become sluggish or absent. As little as one ounce of alcohol may induce the above picture. The maxim "Alcohol and gasoline don't mix," cannot be too strongly stressed. It is estimated that in the nation as a whole from 7 to 10% of all fatal accidents are attributable to alcohol.

"Just as the abuse of alcohol must be considered as an important factor in automobile accidents, similarly it can play an important role in non-automobile accidents.

#### 21. Relation of Alcohol to Crime.

"The temperate use of alcohol probably plays no important part in the

perpetration of lawlessness; statistics indicate, however, a distinct brotherhood between the abuse of alcohol and infractions of the law. In 1936 data from the department of justice show that among males alcohol was a contributory factor in 18%. Drunkenness, drunken driving, and liquor law violations constituted 22.4% of all offenses.

## 22. Relation of Alcohol to Insanity.

"Of all new admissions to state hospitals for mental disease about one-eleventh represented the new alcohol insane. Males predominate over females. The greater incidence of alcohol insanity occurs during the most productive years of life (45-54). Many authorities feel that the majority of these individuals probably have some already predisposing mental taint which makes them an easy prey for alcohol which then arouses an otherwise dormant condition.

## 23. Relation of Alcohol to Life Expectancy.

"The moderate use of alcohol probably does not shorten the life span; however, the excessive use of alcohol definitely diminishes life expectancy so that among excessive drinkers there are twice the number of expected deaths as there are in the group of abstainers."

## "ALCOHOL — Its Effect on Man"

Although recognized as a leader in the temperance approach to alcohol and fully aware of the inadequacy of the "moderation" approach but not unfriendly to it, Dr. Emerson has permitted himself in the closing pages of his book to point out not only the weaknesses of moderate use but the precautions necessary if it is desired to practice it. In dealing with the precautions necessary he allowed himself to introduce the subject as follows:

"Alcohol can be so moderately used as to cause little or no direct harm to the body and mind of the user, and without damage to others or to the user's progeny". He was careful however to point out its limitations, by adding "that such an apparently ideal situation is common or even ordinary or average or general would surely be doubted by many persons and is deemed by competent observers as unlikely to prevail in any state of human society so far developed", and he continues

However, knowledge of the necessary limitations and precautions to be taken by users of a drug of such potencies as a bodily poison and modifier of personality and mentality should be readily available to guide adults in determining their own way of life in regard to alcohol, as they are advised in the use of foods, condiments, recreation, etc.

From our present knowledge we can outline for individual guidance the following general principles which, if followed, would not prevent taking rational advantage of the drug effect of alcohol otherwise than under a physician's orders. If these precautions were generally observed, much of the damage to human life and happiness now created by unsuitable use of alcohol would be avoided.

Alcoholic beverages in all forms and strengths should be avoided by those who have not attained full maturity of body and a stable nervous system.

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\*Haven Emerson, M.D.

Some adults, normal in other respects, lack sufficient stability of personality and sufficient control over their own conduct and impulses to permit their use of alcohol even in moderation.

Healthy adults of sound nervous system should observe the following precautions if they use alcoholic beverages:

Use should either be limited to weak or so-called low alcohol content beverages, or a suitable dilutant should be added to bring the alcohol content of wines and spirits well below 10 percent, the point at which they irritate the lining of the stomach or intestines and interfere with the time and quality of digestion of normal foods.

Alcoholic beverages in whatever form should be taken slowly and preferably with or soon after meals. The presence of food in the stomach, especially foods with fatty ingredients, delays the absorption of alcohol and to this extent mitigates its effect upon the body. Except for its drug effect in an emergency and under a physician's order, alcohol should not be taken on an empty stomach. Of all the physiologically undesirable habits in the use of alcohol, the cocktail before meals in the homes of fashion and the whiskey before breakfast in the homes of alcohol addicts are the worst in their immediate and subsequent effect upon the health of the individual.

Alcohol, if used with the above precautions, should be taken only after the day's work, when the physical or mental effort of major importance has been completed, and only if inactivity, or at least no responsibility or demand for skilled performance is reasonably assured for the drinker for the next couple of hours.

Alcohol should not be used as a preparation for activity or for new demands upon physical energy or mental effort.

Alcohol should never be used at any time by persons carrying responsibility for the safety or life of others, or by those who are likely at any time to be called upon unexpectedly for maximum exertion, skill, or judgment. Such persons as locomotive engineers, sea-captains, aeroplane pilots, chauffeurs, firemen, policemen, physicians, nurses, life-guards, and others similarly related to their fellows should avoid alcohol in all forms, except possibly during their long vacation.

If a person repeatedly seeks relief from distress of body or mind by the use of alcohol, efforts should be made to prevent or to correct the cause of distress, through medical or social resources, rather than to permit the development of the disabilities of alcoholism in addition to those for which the drug was used as a temporary escape.

A person who uses alcohol immoderately, continuously, or to the point of repeated intoxication is in an abnormal or diseased or irresponsible condition and should be considered as a sick person and be managed accordingly.

Alcohol is not essential to the health of any normal persons, whatever their ages, or to the normal functioning of their life processes.

Its use by healthy persons is compatible with continued health only if the alcohol is taken with due regard to its poisonous properties, as suggested in the precautions outlined above."

"I should prefer the Carthaginian law to the effect that nobody while on military duty must ever taste this drink, but must keep entirely to water the whole time; that in the city no slave, either male or female, must taste wine at any time; nor the presidents during their year of presidency; nor the helmsmen, nor the judges when on duty; neither must any one do so who is taking part in any deliberation of importance; nor, speaking generally, must any one drink



during the day, save in view of physical exercise. — And many other occasions might be mentioned when intelligent people possessed of a proper custom abstain from wine.”

—PLATO

“Does not wine act like a tyrant forbidding the mind to think as carefully as it formerly did, and to act as correctly as it formerly did? And was it not for this reason that Plato tells us to avoid it as an enemy? For if it once gets into the body, it prevents the steersman from handling the ship’s rudder properly, and the soldier from keeping order in the ranks; it makes presidents rule badly and impose unsound ordinances. Plato considers, in fact, that wine fills the whole body, and especially the head, with hot fumes, thus causing immoderate motion in the appetitive and irascible parts of the mind, and hasty judgment in the rational part.”

—GALEN

## CHAPTER V

### THE ABSORPTION AND DISPOSAL OF ALCOHOL BY THE BODY

Introduction — What Happens to Alcohol in the Body — Absorption of Alcohol in the Body  
— Oxidation of Alcohol — Elimination of Alcohol

In Manitoba it is estimated there are 370,000 users of alcoholic beverages, some consume very little, the great majority drink moderately, but some are heavy drinkers. Altogether these users consume 10,000,000 gallons of beer, 550,000 gallons of spirits, and 265,000 gallons of wine. In other words, they consume 250,000,000 glasses of beer, 55,000,000 drinks of spirits and about 10,500,000 glasses of wine, a total of 315,500,000 drinks. Per individual on the average, they consume 675 drinks of beer, 150 of spirits, and about 30 of wine — 855 drinks in all per year. Actually many take very little — perhaps but a few drinks per year — many people take less than the numbers quoted, but a proportion of the excessive users — the problem drinkers and alcoholics — are said to consume up to ten times these figures. The average cost to consumers for these 855 drinks of beer, spirits and wine is estimated to be \$115.00 per year.

Would it be surprising if a few at the top, say some of the problem drinkers consumed 6,000 drinks each. Or perhaps more? Only those few know and they haven't given their knowledge away. The fact is that some have reported consumption of beer in excess of that figure.

Having in mind this extent of consumption by individuals, it is important that we get to understand two other things — what the individual body does to the alcohol it consumes as well as what alcohol does to the individual body that consumes it. The first of these is dealt with in this chapter. What does the body do with the alcohol it consumes?

### WHAT HAPPENS TO ALCOHOL IN THE BODY\*

"The entrance of alcohol into the body and its distribution within the body is essentially a process of dilution. When a strong alcoholic beverage is taken into the stomach the secretion of that organ dilutes it. When the alcohol passes into the blood it is diluted by that fluid, and when it spreads from the blood to the fluid in and about the cells of the tissues it is still further diluted. The extent of dilution is expressed in terms of concentration.<sup>1</sup> The alcoholic beverage drunk may contain as much as 40.0 per cent of alcohol (by weight) if it is taken as distilled spirits and as low as 3.5 per cent if it is taken as beer. Concentrations of this magnitude never appear in the blood; as between no intoxication and severe intoxication the per-

\*From "Alcohol Explored", by H. W. Haggard and E. M. Jellinek.

1. In publications dealing with alcohol, concentration is variously expressed as milligrams per cubic centimeter of blood, milligrams per cent, and as percent by weight. We shall use the last form. Per cent expresses the unit weight of alcohol in 100 units of blood; if 100 cc. of blood contained 0.1 g. of alcohol the concentration would be 0.1 per cent. If the concentration is expressed as milligrams per gram it is converted to per cent by dividing by 10; thus 1 mg. per cc. corresponds to 0.1 per cent. If it is expressed as milligrams per cent it is converted to per cent by dividing by 1000; thus 100 mg. per cent corresponds to 0.1 per cent. In determining concentrations a small specimen of blood is drawn and accurately measured; the amount of alcohol present is determined by chemical analysis and the percentage of alcohol calculated.

centages in the blood might range between 0.05 or 0.1 per cent, on the one hand and 0.3 or 0.4 percent on the other.

"The extent to which alcohol is eventually diluted after absorption depends upon the amount of body water, and this in turn is influenced by body weight. The water of the blood makes up about 5.0 per cent of the weight of the body; the fluid in and around the cells, about 65.0 per cent. Thus the approximate total amount is 70.0 per cent of the weight of the body. A man of average size, 155 pounds, would thus have about 109 pounds of water in which the alcohol would eventually be diluted.

"If such a man had in his body, and thoroughly distributed, two ounces of alcohol, the concentration of alcohol in the body water would be 0.115 per cent (2 ounces is 0.115 per cent of 109 pounds). It would not follow, however, that this would be the concentration in his blood or in any particular tissue or organ. These concentrations would depend upon how much water containing the alcohol was in the blood or tissues. And since about 85.0 per cent of the volume of blood is water the concentration in the blood would, for the amounts given, be nearly 0.1 per cent.

"The percentage of water in the body and in the blood varies somewhat as between individuals and at different times in the same individual, but for practical purposes it may be taken as close to the figures given. Thus for the same amount of alcohol in the body a heavy individual would have a lower concentration in the blood than would a lighter one. With two ounces of alcohol fully distributed in the body, the concentration in the blood has been given as 0.1 per cent for a man of 155 pounds; it would be nearer 0.17 per cent for a man weighing 100 pounds and only half of this, or 0.09 per cent, for one weighing 200 pounds. Inasmuch as the effects of alcohol vary in general with its concentration in the blood it follows that, for the same amount of alcohol in their bodies, large individuals are less affected than small ones."

### **Absorption of Alcohol in the Body\***

"Alcohol is one of the few food substances which is absorbed with any rapidity from the stomach. As pointed out, it requires no digestion and is passed into the blood unchanged. The reaction to alcohol would be greatly modified if, as is true for fats and proteins, both digestion and passage into the intestine were required before absorption. An interval of an hour, and probably much longer, would intervene between the drinking of the alcohol and the appearance of any appreciable amounts in the blood and consequently any effects experienced. Because of initial rapid absorption, alcohol appears in the blood within a minute or two after it is drunk, although for large amounts the maximum concentration may not be reached for an hour or more.

"When alcohol is taken into the stomach it is, for a short time, absorbed rapidly; absorption then decreases to a slow rate, even though considerable amounts remain. Beyond this slow rate further absorption depends upon

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\*from "Alcohol Explored", by H. W. Haggard and E. M. Jellinek.

the passage of the contents of the stomach into the intestine, from which absorption is rapid and complete. The presence of food in the stomach slows both the absorption of the alcohol there and the rate of passage into the intestine. Of the common foods, milk seems to have the greatest influence in slowing absorption. When taken on an empty stomach the alcohol of brewed beverages such as beer is absorbed much more slowly than that of spirits; the carbohydrate and other materials in beer exert a "food action" in slowing the process. In contrast, the alcohol of gin and sparkling wine, such as champagne, is absorbed with especial rapidity.

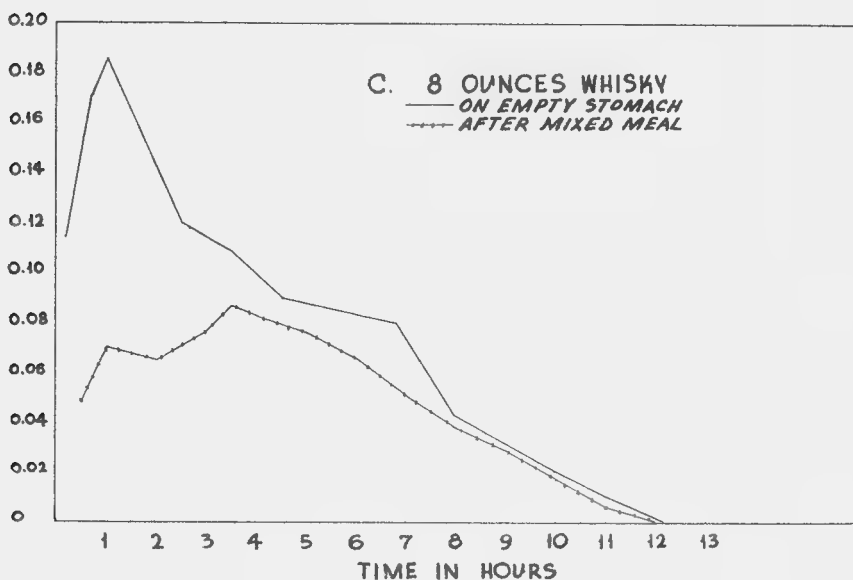
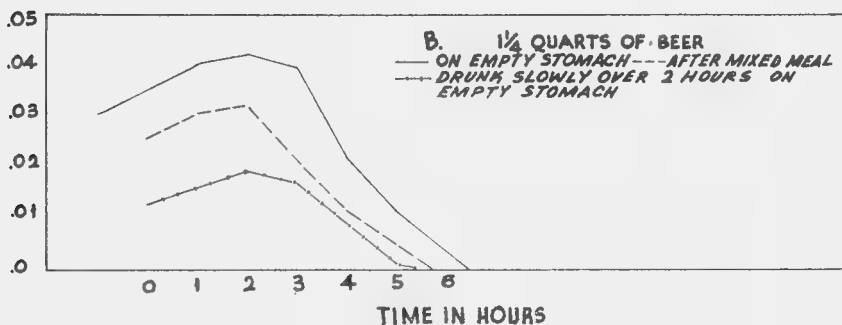
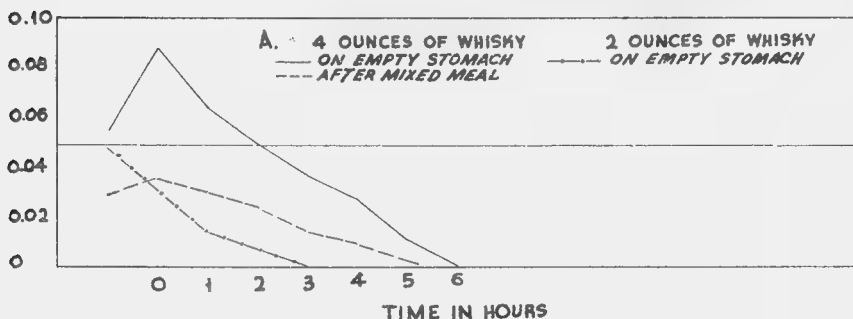
"Table V-1 shows the concentration of alcohol developed in the arterial blood by individuals, weighing approximately 155 pounds, after drinking the same amount of alcohol in whiskey and beer before and after meals. The points on the curves represent averages obtained from a number of individuals and indicate only approximate values for any one individual. They would be correspondingly higher or lower for those weighing less or more than 155 pounds. The amount of alcohol used was 44 grams, about 2 fluid ounces, which is approximately that in 4 ounces of whiskey or 5½ ounces of martini cocktail, or somewhat more than a quart of beer of average content of alcohol.

"On an empty stomach the rapid absorption of the whiskey caused the concentration in the blood to rise to a maximum of 0.084 per cent in thirty minutes; when taken after a meal the same amount of whiskey gave a concentration in the blood of only 0.031 per cent at this time and a maximum of 0.035 per cent at one and one half hours. When a quart or more of beer was taken within a few minutes on an empty stomach the concentration reached a maximum of 0.045 per cent in one and one half hours and after a meal 0.031 per cent in the same length of time. This difference in effect of the two beverages is not due to the greater dilution of alcohol in the beer; dilution of alcohol increases the rate of absorption from the stomach but somewhat slows the passage into the intestine, so that the concentrations developed in the blood are not markedly affected by the alcoholic strength of the beverage. The immediate effects experienced from strong alcoholic beverages, as compared with dilute, are due in the main to reflexes from irritation of the throat, esophagus, and stomach by the concentrated alcohol.

"In the experiments from which Table V-1 (figures A and C) were constructed the alcoholic beverages were drunk as rapidly as possible. If they had been sipped leisurely over an hour or more the maximum concentrations reached would have been much lower. Figure B shows the concentrations in the blood when a quart and a third of beer was drunk slowly in the course of two hours. When small amounts of alcoholic beverages are taken leisurely during and after a meal the rate of oxidation in the liver may almost keep pace with absorption, and little or no alcohol appears in the blood.

"In addition to the influence of food, the nature of the beverage, and the peculiarities of the individual's digestive tract, a fourth and distinctly

# CONCENTRATION OF ALCOHOL IN THE BLOOD AFTER DRINKING



abnormal factor may occasionally modify the absorption of alcohol. The muscular valve which opens to allow the passage of material from the stomach to the intestine may remain firmly closed. Alcohol may thus be retained for a long time in the stomach and only slowly absorbed. Frequently, however, this action, known as pylorospasm, is accompanied by nausea and followed by vomiting. It usually occurs only after considerable quantities of strong alcoholic beverages have been drunk, and especially in individuals who are not accustomed to drinking. It is one of the characteristic events in getting "sick" from overindulgence.

### How Long Alcohol Stays in the Body

"The primary factor in determining how long alcohol will remain in the body and appear in the blood — is, first, the amount of alcohol taken and second, the size and peculiarities of the individual. Furthermore, the rate at which alcohol is oxidized is somewhat greater after large than after small amounts. Because of these variables only approximate figures can be given. For an individual of average size who has taken a medium amount of alcoholic beverage about one third of a fluid ounce of the alcohol is oxidized in an hour. Thus after drinking four ounces of whiskey or ten times as much beer, approximately a quart and a third, the alcohol will be oxidized and eliminated in five to six hours.

"In view of medicolegal standards which set a concentration of alcohol of 0.05 per cent or less in the blood as prima-facie evidence of sobriety, a more important consideration is the length of time that the concentration may remain above this level. Here absorption, as well as oxidation and elimination, comes into play, since it in particular influences the height to which the concentration rises.

"As a rule of thumb, and no more, the following may be applied for a man of average size:

"The concentration in the blood does not rise more than momentarily above 0.05 per cent after two ounces of whiskey or 1 or 1½ quarts of beer are taken on an empty stomach; after a full meal double these quantities can be taken without appreciably exceeding this concentration.

"When four ounces of whiskey are taken on an empty stomach the concentration rises above and remains above 0.05 per cent for two or three hours.

"With larger amounts than this, absorption still has an important influence on the intoxicating effects of the alcohol but has no influence on the length of time that the concentration in the blood remains above 0.05 per cent for four to seven hours; and after eight ounces, six to eleven hours. If whiskey in these amounts is drunk slowly over a number of hours the greater part of this time may be deducted from the total given here. Thus if six ounces of whiskey are consumed over a period of four hours the concentration in the blood will fall to 0.05 per cent one to three hours later."

## Oxidation\*

"A significant thing about alcohol is that it accumulates in the blood and other fluids of the body without being stored or transformed into tissues. The peak of concentration comes about an hour and a half after drinking, and then it is slowly disposed of by two processes, elimination and oxidation. A single drink will leave traces of alcohol in the blood for about four hours. Enough to cause stupor will last as much as twelve to fifteen hours. The elimination comes through the fluids and vapors which are excreted, such as the urine, sweat, and breath. But this accounts for only a small portion, from one to five per cent, and it comes off without chemical change except for a change in solution.

"Oxidation is a chemical breakdown of the alcohol by a combination with the oxygen which is taken into the body through the lungs. It is extracted from the air and carried throughout the body by the blood. As the chemist knows the process,  $C_2H_5OH$  is reduced to  $H_2O$  (water) and  $CO_2$  (carbon dioxide, which is a gas given off through the lungs). This does not state the chemistry of it in full, for in the process acetaldehyde is formed which in turn is oxidized into acetic acid. Both of these are unstable and quickly break down into the carbon dioxide and water.

"By oxidation the heat energy is released in the body which process we have referred to in discussing the claim that alcohol is a food. Most of this oxidation takes place in the liver for that organ regulates the oxidation for heat purposes, not only of alcohol, but of the sugars in food which are the chief source of such energy for man. The liver fixes the rate, which for a person of about 150 pounds of weight will be about 7 to 10 grams of alcohol per hour. A person who falls into a stupor with 0.3 per cent or more alcohol in the blood will need 12 to 15 hours to "sleep it off". There is some difference in the rate of oxidation with different individuals, and muscular exertion will usually increase it. That is why the drunken person is taken for a walk if someone is trying to sober him up.

"The reason that ethyl alcohol can be safely taken into the human body is because it is thus so readily oxidized and disposed of. And the reason that the other alcohols are so poisonous to the body is that they do not break down in this simple and relatively harmless way. When methyl alcohol, better known as wood alcohol, is taken it will stay in the system for days, and builds up to a deadly dose if the drinking continues in the way grain alcohol is usually consumed. What part is oxidized breaks down into formaldehyde, a very irritating substance which is thought to be responsible for the blindness which usually overtakes the wood alcohol drinker. It just happens that grain alcohol (ethyl alcohol) has the combination of chemical properties which makes its consumption relatively safer, and the psychological effects, which render it desirable to so many people."

\*Albion Roy King, "Basic Information on Alcohol", pp. 67-68.

## Elimination of Alcohol\*

"Alcohol dissolved in the blood volatilizes, evaporates, into the air of the lungs, and alcohol, as has long been recognized from the sense of smell, appears "on the breath". The extent of the volatilization follows the laws which govern the solution of all vapors in fluids; a definite ratio exists between the concentration of alcohol in the blood and that in the air of the lungs. Since alcohol is very soluble in water this ratio of alcohol is high; it is about 1250 in the blood to 1 in the air. Consequently the air from the lungs has a concentration which is only a minute fraction of that in the blood. The fact, however, that a definite ratio exists makes it possible to use the exhaled air in determining, for medicolegal purposes, the concentration of alcohol in the blood.

"The concentration of alcohol in the urine likewise reflects that in the blood but is about 30.0 per cent higher. A much greater discrepancy, and one of uncertain extent, results from the fact that the urine does not indicate the concentration in the blood at the time the determination is made; it is a composite of all the concentrations and all rates of flows occurring during the time the urine has been collecting in the bladder.

"The fact that alcohol appears in the breath and urine indicates elimination, a loss of unburned alcohol. The amount thus eliminated varies both with the concentration of alcohol in the blood and the length of time alcohol is present in the blood; it is therefore greater after large amounts are drunk than after small. But it varies also with the volume of air breathed and of urine secreted. The percentage of alcohol drunk, which is lost through each channel, may vary from a fraction of 1.0 per cent to as much as 8.0 or 10.0 per cent.

"In Denmark and Norway the concentration of alcohol in the blood, as determined from a drop of blood drawn by the police, has long been used in the diagnosis of intoxication among motorists. In England, drawing blood constitutes an assault, and the collection of a sample of urine a theft. In the United States blood is rarely used for medicolegal tests; urine is used to a considerable extent, and the breath to a large extent."

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\*from "Alcohol Explored" by H. W. Haggard and E. M. Jellinek.



## CHAPTER VI

### ALCOHOL AND SOCIETY

#### Effects of Alcohol on Society — Social Control of Alcohol by Society

The consumption of alcoholic beverages affect the individuals who consume it, and it also affects the society in which its consumption takes place. These effects find themselves expressed in different ways such as, disease, crime, accidents, immorality, family budgets and economic costs.

Many authorities have expressed their views on one or more, or all, of these aspects of the question. Among these are Jellinek, Haggard, McCarthy, Jolliffe, Emerson, King and a host of others. Their books, among others, will be found among those we are turning over to the Provincial library following the presentation of this Report. In this chapter we quote only from one authority—Professor Clarence H. Patrick, Professor of Sociology, Wake College, North Carolina, who has expressed his view in greater brevity though not in the same thoroughness as some other writers. The space at our command does not permit a fuller reference here.

A brief chapter (22) on the social costs of alcohol will be found in section two of this Report. It was prepared in response to the request that an attempt be made to measure the social cost to society of the use of alcoholic beverages. Only a brief reference will therefore be made here to this phase of the matter.

The concluding paragraphs of this chapter are a brief generalization on the complex character of the problem that has so vexed society from its earliest beginnings and which still leaves many questions without a clear answer.

#### A. THE EFFECTS OF ALCOHOL ON SOCIETY\*

“Although a person’s behavior and its resulting effects are of great concern to himself, their chief significance lies in the bearing which they have upon the efficient functioning of the community as a whole. . .”

“Because of its effects on the life and behaviour of the members of society, alcohol has long been considered in most civilized countries as one of the principal agents working for social disorganization and against social welfare. To what extent is that claim justified? As a partial answer to that question, the following pages will reveal some of the social consequences which result from the use of alcoholic beverages.”

\* \* \* \*

#### ALCOHOL AND MORTALITY

“The data revealed by experience with millions of lives insured by companies in England, Scotland, Canada, and the United States lead to the conclusion that persons who have always been total abstainers are on the whole longer lived than non-abstainers. The evidence also indicates that

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\*Clarence H. Patrick: “Alcohol, Culture and Society”, Chap. V, passim.

“occasional drinkers, who use only moderate amounts of alcohol, live about as long as total abstainers.”

\* \* \* \*

“Table A showing the experience of the Northwestern Life Insurance Company, indicates quite clearly the difference in the length of life of various types of drinkers and nondrinkers. The results of the combined experiences of the life insurance of America as revealed in a volume entitled Medical Impairment Study (1929) are even more significant and conclusive. Table B shows impressive data which were compiled from that study.

“Methods have not been devised by which the complete story of the effect of alcohol on mortality may be obtained. Even so, there is sufficient evidence to warrant the following conclusions: (1) The total number of deaths resulting each year from the use of alcohol runs into the thousands. (2) Occasional drinkers, who use alcohol moderately, probably live about as long as abstainers. (3) Excessive drinkers have a significantly higher death rate than abstainers and occasional drinkers . . .

**TABLE (A)**  
Effect of Alcohol on Length of Life as Revealed by the  
Experience of the Northwestern Life Insurance Company.

1924  
(Under policies dating from 1885 to 1909) \*

| Characteristics of the Policyholders | Relative Mortality In Per Cent | Comparative Mortality |
|--------------------------------------|--------------------------------|-----------------------|
| Total Abstainers                     | 70                             | 100                   |
| Moderate Users                       | 78                             | 111                   |
| Regular Beer Drinkers                | 91                             | 130                   |
| Regular Spirits Drinkers             | 127                            | 181                   |

**TABLE (B)**  
Comparative Death Rates of Nondrinkers, Moderate  
Drinkers, and Excessive Drinkers of Alcohol\*\*

| Characteristics of the Policyholder                                                                                                                                 | Relative Mortality In Per Cent | Comparison                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------------------------------|
| Abstainers (never use alcohol in any form). Standard Insurance Rate.                                                                                                | 100                            | Standards; expected number of deaths.                    |
| Moderate Drinkers (use alcohol in small quantities occasionally; infrequently, once or twice per year, a little tipsy; rarely use at all). Standard Insurance Rate. | 109                            | Close to standard; 9 per cent more deaths than expected. |

(Continued next page)

\*Taken from Arthur Hunter, "Longevity and Mortality as Affected by the Use of Alcohol", in Emerson (ed.), Alcohol and Man, p. 330.  
\*\*Taken from Waddell and Haag, op. cit., p. 169.

TABLE B—Continued

| Characteristics of the Policyholder                                                                                                                                                                          | Relative Mortality In Per Cent | Comparison                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------------------------------------|
| Excessive Drinkers (use alcohol in excess occasionally; become drunk a few times a year when celebrating a birth or election). Substandard Insurance Rate, having to pay higher premiums for the added risk. | 195                            | Far worse than Standard; about twice the expected deaths. |

\* \* \* \*

## POVERTY AND DEPENDENCY

"The idea that alcoholic beverages, when used on a widespread scale by the population of a country, play a dominant role in producing poverty is traditional and generally accepted."

"In the modern world where so much skill, speed, endurance, and physical and mental fitness are required, the man or woman who develops the drink habit greatly endangers his or her chance of securing and holding a worth-while position. The use of alcoholic beverages beyond a very moderate degree is likely to cause an impairment of mental and physical efficiency. The immoderate use of alcohol by heads of families usually results in laxness and inattention to the duties of the home. It often spells neglect where there are children. In many cases, especially among laborers, the money that is spent for alcohol means that the family will be deprived of some of the necessities of life. Even in view of the fact that the laborer has improved his economic condition during the past several years, the following statement by Robert W. Kelso\* needs no significant modification:

Bearing in mind the fact that the laborer throughout the length and breadth of the United States makes no better than a bare living out of his labor, it must be apparent that a habit so far-reaching in its effect as to impair him physically and mentally, and so depressing as to dull the edge of his will to struggle for a better living, will certainly be a potent factor in catching and holding him in poverty permanently. Of the personal causes of poverty it is undoubtedly the greatest.

"It must be recognized that as the workingman constitutes the great majority in the population, so does he, in all probability, constitute the great majority of the intemperate users of alcohol.

"It is estimated that the people of the United States spent five billion dollars for alcoholic beverages in 1937. For the same year the retail sales for all commodities were approximately forty billion dollars. This means that one dollar out of eight for all retail expenditures went for alcoholic beverages. When it is realized that about 43.5 per cent of the population above sixteen years of age constitute the great majority of users of alcohol, then it becomes apparent that this group spent considerably more than one out of eight dollars for alcohol in all retail purchases.

\*From: "Poverty" — Longmann, Green & Co.—1954.

## ALCOHOL AND IMMORALITY

"The sexual impulse is a natural drive among human beings, just as it is among the lower animals. However, for medical, social, and moral reasons, civilized peoples have found it necessary to adopt certain codes and conventions to regulate the expression of the sexual desire. Such codes and conventions are a part of the cultural system of human societies, and are usually learned by individuals during their period of development and training. But in order that its members may be able to abide by its codes and conventions, each society strives to develop in them certain faculties, among which are a moral sense, will power, and inhibitory controls. The ability to employ those faculties depends upon the proper functioning of the higher brain center.

"As has been pointed out, the chief function of alcohol is its depressant effect on the higher brain center and on the central nervous system. If used to any degree beyond very moderate amounts, alcohol may deprive the individual of his moral sense, will power, and inhibitory controls. Hence prostitution and other forms of sexual immorality have long been associated with the use of liquor among civilized peoples. The belief that there is often a direct relationship between them appears to be correct. Dr. John W. Churchman,\* an eminent specialist in venereal diseases, expresses the usual conclusion of observant physicians: "Alcohol paralyzes the inhibitions, renders the physical urge more obvious, disarms the critical faculty, breaks down reasonableness and prudence, blurs fineness of perception and taste, without necessarily creating the state socially recognized as intoxication." Also, Dr. Haven Emerson, whose study and wide experience in public health should enable him to know the facts in this matter, says:

The most successful artificial or drug excitant to sexual excess is alcohol. More instances of syphilis and gonorrhea in youths of both sexes, whose sober good intentions are to avoid extramarital sexual connection, have been due to alcoholic abuse than to any other one cause.

Alcohol in moderate amounts suffices commonly to lower self-restraint and self-control in situations of sexual temptations so that exposure to hazards of sexual diseases is undertaken thoughtlessly and without care of the consequences.

When alcohol is sufficiently present in the nervous system, the "censor" (Freud's term), whose function it is to "restrain or divert inappropriate sexual impulses," is off guard. Under such conditions stimuli that would usually receive but little attention or be easily put aside are freely permitted to arouse the emotions to the point of overt expression.

"The close association between the brothel and the bar has been widely observed. Before the Prohibition era, saloons were commonly recognized as actively allied with prostitution. Many saloons provided rooms in their buildings where prostitutes might operate and also sell drinks on commission. The saloon keepers usually furnished aid by providing lawyers, putting up bail, and paying fines when their prostitutes became involved in legal difficulties.

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\*from Prevention of Venereal Diseases in "Preventative Medicine and Public Health".

## ALCOHOL AND ACCIDENTS

"The fact that accidents are multiplied by the use of alcoholic beverages is a matter of common observation. Anything that exerts a depressant influence on the higher rational and critical faculties, which determine the quality of perceptions, judgments, and performances, inevitably leads to errors and inefficiency in individual and social behaviour. Since the use of alcohol lowers mental and motor efficiency, it is natural to expect that its use would be a casual factor in various types of accidents. It is now recognized that even after the use of very small amounts of alcohol, the driver of an automobile may be unable to take the proper precautions soon enough to avoid an accident. McCarthy and Douglass say: "Traffic accidents and fatalities, both pedestrian and driver, result as often from a few drinks as from a dozen." Table (C) gives a rough approximation of the effects which various amounts of alcohol will have upon the average person, for a period of from thirty minutes to five hours after ingestion. Dr. Walter Miles says:

Alcohol taken without food in amounts not exceeding 30 cc. or 24 gm. (about 2 ounces of whiskey or 2 bottles of beer) produces a sufficient depressive action in most people to interfere somewhat with various mental functions; vision is impaired; the field of attention narrowed; mental associations are slowed; and even if sleepiness is not produced the attentive consciousness tends to be so occupied with subjective feelings and thoughts that the individual is not easily aroused by the noises, lights or movements in his environment. In general, quite aside from the difficulties with voluntary muscular control, the slightly alcoholized person, driving on the highway resembles in his behaviour tendencies the absent-minded, much introverted individual found by test to be accident-prone.

"For the purpose of determining the extent and the effect of drinking among automobile drivers, a study was conducted by the Northwestern University Traffic Institute. In the study 1,750 persons, drivers chosen at random along highways, were tested by the "drunkometer" (breath method), a device recently developed by Dr. R. N. Harger of the Indiana University School of Medicine. The findings revealed that about 12 per cent of the drivers tested had been drinking. The results of this test were compared with the results of alcohol tests made on the urine of drivers who, during the two preceding years, had been taken to hospitals after being involved in accidents. Whereas only 12 per cent of the drivers in the normal driving population showed they had been drinking, about 47 per cent of the drivers involved in accidents had been drinking."

TABLE (C)

Acute Effects of Alcohol on the Average Man:  
One-Half to Five Hours after Ingestion\*

| Per Cent<br>of<br>Alcohol<br>in the<br>Blood | Approximate Quantity<br>Drunk                                                              | Effects, Nervous<br>and Muscular                                                                       |
|----------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| 0.01                                         | ½ oz. of alcohol (diluted), or<br>1 oz. of whiskey, gin, etc., or<br>1 bottle of beer      | Initial feeling of<br>stimulation phase<br>begins, behaviour<br>about normal.                          |
| 0.02                                         | 1 oz. of alcohol (diluted), or<br>2 oz. of whiskey, gin, etc., or<br>2 bottles of beer     | Effects begin to be<br>shown; decreased<br>accuracy, attention<br>co-ordination, plus<br>accidents.    |
| 0.15                                         | 4 oz. of alcohol (diluted), or<br>½ pint of whiskey, gin, etc.,<br>or<br>7 bottles of beer | Legally under the<br>influence: loud<br>talking, argumentative,<br>dangerous to himself<br>and others. |
| 0.40                                         | 8 oz. of alcohol (diluted), or<br>1 pint of whiskey, gin, etc., or<br>12 bottles of beer   | Unconscious; paralyzed;<br>helpless.                                                                   |

“Dr. Gerber reports a study, in which he participated, of deaths due to traffic accidents in Cuyahoga County, Ohio. In that county there were 312 deaths due to traffic accidents in the year 1936, and 88 in the first three months of the year 1937. Out of the total 400 deaths, about 82 per cent were males and 18 per cent females. From that number 110 cases, selected at random, were tested for the presence of alcohol. The investigation revealed that about 55 per cent of the males and 2 per cent of the females were under the influence of alcohol at the time the accidents occurred. Dr. Gerber makes the following important statement:

We believe that individuals with blood concentrations less than 0.15% may also be considered as under the influence of liquor or intoxicated. This is important from this standpoint. An individual who has had only a little to drink feels somewhat “stimulated” and is confident of his ability to drive his car or walk across a street safely. Because of this blunting of the sensorium, usual caution may be lost. The driver or pedestrian may be a bit reckless and at a given crucial moment will be incapable of instant decision and critical judgment, and therefore, an accident may ensue.

“A well-controlled test of the influence of drinking on automobile driving was conducted in Sweden (1948) by Goldberg and his associates. Goldberg reports the following results:

The consumption of 3 to 4 bottles (1 to 1.3 liters) of beer containing 3.2 per cent alcohol by weight (37 to 49 g. alcohol) and evoking an alcohol concentration in the blood of 40 to 60 mg. per 100 cm. of blood (0.04 to 0.06 per cent), or strong

\*Source: Waddell and Haag, op. cit., pp. 111-114. As was pointed out in the text, it must be borne in mind that the above table is only a rough approximation. Especially after the consumption of small amounts of alcohol, there is great variation in the behaviour of individuals and of the same individual under varying sets of conditions.

liquor containing the same amount of alcohol, impaired performance by 25 to 30 per cent on the average, and up to 70 per cent on one of the tests, compared to the control group. Impairment of performance began at an alcohol concentration in the blood of 0.03 to 0.04 per cent.

"In 1937 there were 4,785 motorists in the State of Pennsylvania who had their driver's licenses suspended, and of that number 3,168 were charged with intoxication. In the nation as a whole 25 to 40 per cent of the cases in which driver's licenses are suspended are on the grounds of intoxication.

"It is very difficult to determine just what percentage of accidents in industry has as a causal factor the use of alcoholic beverages on the part of the workers. Feldman states: "That liquor has been an important cause of accidents, and that the elimination of liquor would materially reduce accidents, has for decades been one of the dogmas of industry."

"Perhaps the strongest evidence of the relation of the use of liquor to industrial accidents is to be found in the testimony and practice of industrial officials. After obtaining the opinions of hundreds of industrial superintendents and executives, Feldman states that the vast majority of employers were in favor of prohibiting the use of liquor in so far as they had observed its effects on industry. The Du Ponts became strong leaders and financial supporters of the Association Against the Prohibition Amendment, and yet, it is interesting to note, they have prohibited for many years the use of intoxicants by their employees. Professor Irving Fisher of Yale University wrote to Pierre du Pont in 1928 inquiring as to his attitude toward the use of alcoholic beverages by industrial workers. Mr. Du Pont replied as follows:

If certain work involving danger to life and property requires absolute sobriety, I cannot find fault with the employer refusing to employ a man who shows any signs of contact with alcohol, when he reports for work, and, in fact, where the employer may be held liable for the action of the man employed, he may, if he chooses, properly decline to employ a man who uses intoxicants at any time. This is no different from refusing to employ a man whose sight or hearing is in any way defective for jobs requiring great keenness in those senses. It is purely a matter of choice of the man most suitable for the job."

## ALCOHOL AND CRIME

For centuries the use of alcoholic beverages has been regarded as one of the influential factors involved in crime. . . . From what is known of the psychological effects of alcohol upon the individual, it is logical to infer that the drinker, particularly the one who indulges beyond moderate amounts, may become less considerate of others, less discreet, and exhibit various antisocial traits. On the other hand, it must be recognized that the prevalence of immoderate drinking among criminals does not always indicate causation. Adverse social conditions may be influential factors in producing both criminal behaviour and excessive use of alcohol. Even so, both the direct and the indirect causal relationship between crime and

alcohol are impressive. . . . The Committee of Fifty spent several years in research on almost every phase of the alcohol problem. Its investigations on alcohol as a factor in crime covered 13,402 convicts in seventeen prisons and reformatories located in twelve states; it did not include ordinary jails, and thus did not consider in its statistics persons convicted for drunkenness, violation of liquor laws, and other misdemeanors involving liquor. In its report the committee stated that the use of alcoholic beverages is a factor in about 50 per cent of the crimes committed, being a sole cause in 16 per cent of crimes and a first cause in 31 per cent. It appeared as a causal factor in 51.5 per cent of the crimes against persons and in 49.5 per cent of the crimes against property. This study of the Committee of Fifty remains as the most reliable evidence obtainable on the relationship of the use of alcoholic beverages to crime in the preprohibition days, and its findings still indicate that alcohol is a major factor in the causation of crime. Modern case studies show that a large number of criminals have been immoderate drinkers. The Gluecks in their investigation found that 39.4 per cent of their male criminals used liquor to excess, and 25.4 per cent of the women delinquent at the age of adolescence were given to drunkenness.

To determine the number of cases of felony in which liquor played a part, a study was made by Wilbur La Roe, Jr., a member of the District of Columbia Board of Parole. Mr. La Roe selected at random 625 felony cases which came before the Board of Parole, and from the records examined he found the following crimes committed by "persons under the influence of liquor: 25 robberies, 3 arsons, 26 housebreakings, 14 manslaughters, 29 assaults, 7 murders and 42 other felonies—a total of 146 out of 625 cases, studied." With reference to the felony cases which came before the District of Columbia Board of Parole, Mr. La Roe comments: "The more I study them the more I am convinced that liquor is a prolific cause of crime."

A leading criminologist, Edwin H. Sutherland, says: "Intoxication is involved in many cases of homicide. The estimate has been made that 40 per cent of the murdered victims are intoxicated at the time they are murdered."

The indirect effects of alcohol on crime are great. The home in which there is excessive drinking frequently exerts a very unwholesome influence on the child. William Healy reports that of a thousand cases of juvenile delinquency included in one of his studies, 31 per cent came from homes in which one or both parents drank to excess; in another investigation the percentage was 26.5, and in this Boston study 51.

It must be concluded that the use of alcoholic beverages constitutes one of the dominant factors involved in the production of crime. But the fact must likewise be recognized that alcohol cannot be regarded as the sole cause in any high percentage of crimes, because crime is more accurately explained when the total situation, in which many factors usually operate, is considered.



## INEBRIETY AND CHRONIC ALCOHOLISM

It is now being recognized that one of the greatest factors working against social welfare is that of the habitual intemperate use of alcoholic beverages. Dr. Thomas J. Meyers, president of the American College of Neuropsychiatrists, says: "Alcoholism has become the greatest public health problem next to syphilis, and the greatest economic problem next to unemployment."

It appears that the problem of drunkenness, alcohol addiction, and chronic alcoholism reaches its greatest magnitude in the societies where the stronger alcoholic beverages are generally used. This does not mean that serious consequences do not result from indulgence in the milder alcoholic drinks where they are widely used. But as Yandell Henderson points out, "The stronger a nation's drinks the more abundant its annual crop of alcoholics." The United States has long been regarded as a country whose people have a preference for drinks of high alcoholic content. The proportions which the problem of habitual intemperance takes in this country are enormous.

It is impossible to estimate the number of persons who are given to habitual drunkenness in the United States. The arrests for drunkenness may give some slight indication. The Federal Bureau of Investigation reported that in the year 1939 in 1,214 cities aggregating 39,147,097 inhabitants 592,510 persons were charged with drunkenness. When used as a basis for generalizing concerning the entire country, those figures are subject to a number of doubts. It is not known how many repeaters were among those arrested. It is likely that there were many who were arrested two or more times during that year. On the other hand, the figures, if taken to represent actual drunkenness in the population, must be viewed as a gross underestimate. The police do not arrest all persons who become publicly drunk. It is common knowledge that in law enforcement at this point there is wide differentiation between the rich and the poor. In many cities the majority so arrested are charged with disorderly conduct rather than with drunkenness. Furthermore, the number of persons arrested for drunkenness, in different years or in different localities, may vary because of changes or differences in method and degree of law enforcement. Even so, when statistics for drunkenness are correlated with other known facts—such as arrests on charges in which liquor was a factor, the estimate of liquor consumption, commitment of chronic alcoholics to mental hospitals—the trend of intemperate use of alcoholic beverages may be revealed to some extent. It is generally conceded that the consumption of liquor greatly declined during the first years of national prohibition. . . .

Intemperate drinking, addiction to alcohol, and chronic alcoholism appear to be greatly on the increase in the United States. It is common knowledge that drinking during recent years has become more popular and widespread among practically all classes. That being the case, it is natural to expect many "problem drinkers." . . . In the course of a

symposium on alcohol, sponsored by the American Association for the Advancement of Science, Dr. Horatio Pollock estimated the country's number of chronic alcoholics at a minimum of 1,000,000. Haggard and Jellinek, in 1942, estimated the number to be about 600,000. With respect to the enormous problem which chronic alcoholism presents to society, Strecker and Chambers say:

If, at best, the quantitative conception can only hope to be suggestive, then the estimate of qualitative loss due to alcohol is even more inaccurate. Again, it errs in the direction of underestimate. There is involved, in many instances, a considerable detraction from the general social efficiency and progress, since, usually, the alcoholic is inadequately working (if he can work at all), at a level far below his capacities.

Unfortunately society has as yet discovered no satisfactory method of treating alcohol addicts and chronic alcoholics. This fact is all too obvious when it is realized what happens in general to people so diseased. Many of them land in jail, some in mental hospitals; others go from one sanatorium or from one so-called "cure" to another; some are treated by private physicians, and a large number are simply permitted to rove about cities and towns. . . .

One of the greatest problems of alcohol is that no one seems to know, with any degree of certainty, who can drink moderately and avoid intemperate drinking, alcohol addiction and chronic alcoholism. Dr. William J. Mayo says:

In dealing with addiction to liquor the difficulty is that we cannot tell in advance who may become victims. We have no particular test, except the test of time, which ruins the man, nor have we any remedy to prevent his becoming an addict; consequently three drinkers in ten take a chance.

The evidence indicates the chances that a user of alcoholic beverages will become an excessive or problem drinker are considerable. On the other hand, there are now no specific precautions that can insure a drinker that he will not become an inebriate. However, as McCarthy and Douglass say, "There is a positive means of averting this risk, and that is the policy of abstinence."

## B. SOCIAL CONTROL OF ALCOHOL BY SOCIETY\*

"Social control of the problems associated with alcoholic beverages involves more than alcohol. It touches on the whole field of moral and ethical values in contemporary life, parent-child relationships, social pressures and prestige factors, health education in the schools, alcohol legislation, law enforcement, rehabilitation of the alcoholic, and dissemination of objective information to the public in a manner which will generate recognition and acceptance of social responsibility. An effective program will have to be sufficiently broad to permit the participation of all thoughtful citizens, and this should include not only social drinkers and non-drinkers but also, for instance, Jews, agnostics, and abstaining church members as

\*R. G. McCarthy and E. M. Douglass, "Alcohol and Social Responsibility", pp. 120-138, *passim*.

well as professional temperance workers. The problem of alcohol cannot be dissociated from the problems of society, and it is unlikely that there will be progress toward effective solutions until a redistribution of social attitudes has been achieved.

“There is a compelling need for an approach to the many-sided problems of alcohol which would be sufficiently comprehensive to gain the co-operation of a majority of adults. Such a program might be developed by using as a nucleus five specific aspects of the problem.

1. A realignment of social attitudes concerning the use of alcoholic beverages.

2. An expanded program of factual education about alcohol which will reach all levels of the community.

3. A nation-wide effort to reduce the role of alcohol as a contributing factor in traffic accidents.

4. A consideration of public responsibility for the rehabilitation of the alcoholic.

5. A consideration of existing inadequacies in the discharge of public responsibility for the control of the manufacture, distribution and sale of alcoholic beverages.

“These topics are suggested because they relate to aspects of the problem on which a co-ordinated effort can be made by many people. It is assumed that on other aspects of these problems, for example the spiritual and moral implications which are the function of the church, and the physiological and pharmacological questions which are properly medical matters, leadership will continue in the hands of the specialists best qualified to deal with them. Public support, however, will always be essential for capable and expanding efforts by the specialists.

## **1. A Realignment of Social Attitudes**

“Scientific information about the physiological, psychological and social effects of the use of alcoholic beverages has increased considerably in the present generation. This knowledge, however, has become the property of the general population to only a limited degree. It is recognized that information alone does not necessarily cause a change in attitudes. At the present time a shift in public attitudes must take place before any extensive use of the increasing knowledge about alcohol will be effected.

“The most prolific sources of information about alcohol are the publications and educational activities of the temperance organizations and the churches from which these organizations derive leadership and financial support. The publications of scientific bodies engaged in research on alcohol problems reach a limited section of the public, principally professional people in the scientific fields. Millions of people derive their knowledge from folklore and old wives’ tales, from newspapers, magazines and liquor advertisements, from fellow drinkers and bartenders. A tremendous body

of drinking lore is being perpetuated by successive generations, most of it not only unreliable but frequently pernicious—for example, “a glass of beer never hurt anyone” is actually quite untrue for the alcoholic. The facts about total abstinence, and the personal advantages of this point of view, are accepted by people already convinced of the desirability of abstinence as an ideal of conduct. But they are rejected by many more who, without weighing the evidence of facts or challenging their validity, refuse emotionally to accept the philosophy of temperance through abstinence. Some find the manner in which this philosophy has been advanced objectionable. This situation holds for many abstainers as well as for millions of drinkers. Such emotional blocking often prevents co-operative efforts which might lead to improvement of social conditions.

“Church members and temperance workers who view any use of alcohol as an immoral act cannot compromise and should not be expected to compromise on this fundamental principle. It is difficult to envision any regular banner of social betterment. Yet for many years the most aggressive forces seeking to influence the American public on the question of alcohol have been these two groups, the church-supported temperance movement and the organized trade associations of distillers, brewers and vintners.

“Apart from these two points of view, there has existed until very recently no consistently planned objective program of information for the public about alcohol. This statement does not overlook the work of those churches which denounce drunkenness while not forbidding the use of alcohol; these churches reach only their own members. The work of the public schools is of doubtful effectiveness. The Manual of the National Congress of Parents and Teachers recommends to local units a project about alcohol, but little aggressive activity can be observed among PTA groups. Countless civic luncheon clubs, women’s clubs and local professional and social groups sponsor projects for the aid of camps, welfare programs and civic betterment, yet consistently shy away from questions involving alcohol.

“There are citizens interested in temperance who are not in our present temperance organizations. There are occasional users of alcoholic beverages who would support a movement leading to better information for the public. Civic and state authorities and legislators may be concerned about problems of alcohol but they will take action only at the insistence of organized constituents. Lobbyists for the alcoholic-beverage industry appear to be as effective in their activity as lobbyists for the temperance organizations. There is no lobby for the interests of a considerable body of people who are not wholly in sympathy with either the organized temperance program or the liquor business.

“A realignment of popular attitudes concerning alcohol might broaden the base for participation in constructive action on the question. The temperance organizations would in no way be limited in carrying on their present programs. But John Jones, who is an abstainer, and John Smith,

who believes the liquor industry should be regulated more carefully than it is now but considers prohibition socially and politically inexpedient, should be able to express their beliefs through a channel acceptable to them both, perhaps a new national association.

## **2. An Expanded Program of Education**

"An adequate program of education about alcohol should extend to almost every person in a community at one time or another. The term "education" is usually related to the formal curriculum of the school or college. Certainly the present organization of our school system offers a logical point at which to begin the expansion of the study of alcoholic beverages as a social question. This requires also an intensified program in the teacher-training institutions and colleges. Alcoholism, as a public health problem, is a subject of sufficient popular concern to warrant systematic publicity through the newspapers, magazines, and radio. Success in the prevention and control of tuberculosis was not achieved until certain basic concepts regarding the cause and treatment of the disease were understood intellectually and accepted emotionally by the public. In a similar manner the mental-hygiene movement is beginning to reach the general public, and it is anticipated that a gradual shift in the public attitude toward mental disease will take place and be reflected in the referral of more cases of mental disorder in the incipient stages to clinics and private psychiatrists. Successful rehabilitation of persons suffering from mental disease often serves as a valuable preventive and educational measure in a community. Under favorable conditions, popular bias and fears rooted deep in tradition can be changed.

"When a number of resources of different kinds are brought to bear on a group attitude the probability of reducing resistance is strengthened. It has been demonstrated by psychologists that effective learning takes place when certain conditions are operative with the learner in the learning situation, and when the material to be learned is suitable. Scientific and therapeutic progress in the last ten years has presented far more suitable material for learning about alcohol than was generally available in earlier years. The needs of the public in relation to the problems of alcohol are at least as pressing as ever before. The missing element is one of effective presentation of this material to the public. When this step is achieved, popular attitudes effective for control of the problems will become a reality.

## **3. Reduction of Traffic Accidents**

"Motor vehicle fatalities ranked first among the principal types of accidental deaths in the United States during the past decade, except in the wartime years 1943 and 1944. Reports compiled by the National Safety Council from 22 states during 1948 showed that 17 per cent of the drivers involved in fatal motor accidents and 23 per cent of the pedestrians killed by automobiles were reported as "had been drinking." In one fourth of the

road accidents in which there was a fatality, either the driver or the pedestrian was reported as "had been drinking." From 1942 to 1948, inclusive, the proportion of drivers involved in fatal accidents who were "under the influence" of alcohol at the time of the accident ranged from 5 to 9 per cent. The proportion in 1948 was 7 per cent. A study of violations of traffic laws in 1948 revealed that 12 per cent of the drivers were "under the influence" of alcohol at the time. The period after the war was marked by an increase in road accidents in which drinking drivers or pedestrians were involved.

"Whether the increases reflect mainly the greater postwar availability of gasoline and tires or are evidence of an increase in drunken driving and carelessness in traffic by persons who "had been drinking" is a question demanding not only careful analysis of the statistics but far more effective application of scientific techniques for determining alcohol concentration in persons suspected of being "under the influence". Despite the inaccuracies and inadequacies of the data now available, however, they indicate definitely that drinking is one of the significant causes of death and injury on the highway as well as damage to property. It is as immoral to kill or maim through negligence with an automobile as through negligence with a rifle. Beyond the ethical question, the problem is one of concern to police and motor vehicle departments; it becomes a responsibility of the seller and buyer of liquor; and it is the cause of immeasurable loss to the victim's family. Driving a car after drinking, or riding with an operator who has been drinking, is viewed too lightly by too many persons. The man who takes three drinks of whiskey on an empty stomach is in no condition soon thereafter either to drive or to be the judge of his ability to drive. There are legal penalties for "driving under the influence", but there is no way of knowing how effective they are as deterrents to the drinking driver. Many states require tests of the brakes and lights of the car and of the eyesight of the operator. Such safety precautions are commendable, but they are of little value when alcohol is introduced into the situation. The question of safe driving is one on which all groups in a community can co-operate.

"Driving courses for young people in high school are being widely introduced. Because of the interest which every student has in acquiring an operator's license, an ideal learning situation may develop around this subject. This combination of circumstances offers an opportunity for a realistic approach at the level of immediate pupil interest for the discussion not only of the physiological effect of alcohol in reducing reaction time but also of the psychological and emotional effects of any amount of alcohol upon the driver.

"Every person applying for an operator's license should be warned as emphatically about mixing alcohol and driving as he is in many states about parking near a fire hydrant. Obstructing a hydrant can lead to serious consequences, but the risk is far greater—as may be judged from

statistics of deaths and injuries in traffic—from the combination of several drinks of whiskey and a powerful car.

“Increased safety measures are developing rapidly both in the mechanical structure of the car and in improved highway planning. Increased driver responsibility in respect to alcohol will come about only when a greater pressure is brought to bear on state and local authorities to carry out an effective program of education which will make use of more comprehensive techniques than are to be found in the familiar slogan “Alcohol and gasoline do not mix.”

#### **4. Rehabilitation of the Alcoholic**

“Public misunderstanding of the facts about alcoholism, facts which have been known to physicians for years, has caused conflicting points of view among citizens and obscured the need for establishing treatment facilities. It is difficult for many people to consider alcoholism a public health problem which warrants public responsibility and attention in a manner similar to that which calls forth public health programs in the fields of tuberculosis and mental disease. In the minds of many citizens, the alcoholic is either a weak-willed irresponsible fellow who could “straighten out if he wanted to,” or a hopelessly deteriorated individual who must accept the consequences of his own folly. The discouraging experiences of families and friends who attempt to help the individual alcoholic create the impression that he prefers to remain in his unfortunate condition rather than make the effort required to overcome his difficulties. One type of excessive drinker is a problem to the police, courts and the jails. He is often a nuisance on the streets. Repeated jail sentences seemingly have no effect on his behaviour. Despairing of rehabilitating this individual, and thousands like him, several states in past years have established jail farms to which these men are committed for long terms. The procedure keeps the alcoholic off the streets. There is no evidence to suggest that the jail farm either encourages or aids the alcoholic to stop drinking after his release. Recently several communities—for instance, Alameda, California—have initiated jail farm programs in which a modified form of group therapy for alcoholics is being explored. A shortage of qualified personnel, reluctance to provide special services for the alcoholic and, in particular, the lack of facilities for follow-up work, are retarding the expansion of such projects.

“The alcoholic whose financial position enables him to pay for private hospitalization may find medical assistance in the various sanatoriums located in most states. The facilities of such institutions are limited and the expense of a prolonged stay is beyond the reach of the average alcoholic. Many sanatoriums offer treatment which consists primarily of assisting the patient to recover from the physical effects of his recent bout, but offer little to correct those personality factors which, in conjunction with the effects of alcohol, caused the excessive drinking. Although the patient

may be warned that he must remain completely abstinent, sooner or later he feels life threatening, resorts to alcohol, and again becomes a patient at the sanatorium. This tendency of the alcoholic to relapse into drinking after he has been given medical treatment has contributed to the popular belief that the excessive drinker is either hopeless or so obstinate that he refuses to accept help on a permanent basis. Actually, the patient has been treated only for a symptom of his illness, and when the effects of this treatment wear off the patient is faced with the same disorder which has been at the root of the alcoholism all along. With the exception of private psychiatric treatment, which is usually available only in the large urban areas and involves substantial costs, there have been no treatment facilities for alcoholics in this country commensurate with the magnitude of the problem, and hundreds of thousands of men and women not only can find no treatment but do not even realize that they are in need of treatment. The public looks upon them as defective characters, and many alcoholics secretly accept this diagnosis.

"It was suggested in the early paragraphs of this chapter that group attitudes may have far-reaching effects. Popular attitudes have contributed to the maintenance of a view of alcoholism as an ethical or legal complication rather than as a personality disorder. A group movement which has developed in the last 15 years has demonstrated conclusively that many alcoholics will not only seek suitable therapeutic measures themselves, but also will respond to therapy to a degree that enables them to function again as heads of families and members of society. This organization, Alcoholics Anonymous, is unique in that it has no constitution, no published membership list, and no dues.

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"Not every excessive drinker is able to respond to the Alcoholics Anonymous program. Some individuals require intensive medical and psychiatric treatment which the members of Alcoholics Anonymous do not pretend to offer. A comprehensive approach to the problem of alcoholism which is suitable for all types of alcoholics would include (1) hospital facilities for sobering up and for the diagnosis and treatment of physical disturbances which may be the result of excessive drinking or may have no causal relation to the use of alcohol; (2) adequate in-patient psychiatric and psychological diagnostic services; (3) out-patient facilities at which treatment initiated in the hospital may be continued, and at which an investigation of the patient's marital, occupational and social background may be conducted; and (4) availability of a variety of treatment techniques, either in the clinic or in the community, including co-operation with Alcoholics Anonymous. It is probable that some of the people characterized as alcoholics, particularly many of the regular court and jail repeaters, will be unable to function on a level of social independence even after receiving treatment. These people should be referred to a type of facility not at present in existence, which would be neither a jail farm nor a mental



hospital but an institution specifically developed for this category. After a long socializing process, some may develop to a point at which they can function at a limited level and can assay a return to society. Others may require indeterminate custodial care.

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"In all parts of the nation there is evidence of a renewal of interest in the problems of alcohol, particularly in alcoholism. Leadership in the movement is being provided by people not directly connected with the temperance organizations, although many temperance people and some temperance societies are supporting the movement. Because alcoholism, directly or indirectly, touches everyone, there is a responsibility for the citizen to be informed on the question and not only to recognize that the problem exists but to participate in the attempts being made to cope with it.

\* \* \* \*

## 5. Control of the Industry

"Law is the expression of the desires of the citizens of a community. It is subject to change as fundamental social needs change. Yet social scientists know that law and the exercise of the police power under law rarely effect basic changes in social custom. Public standards of behaviour can be improved only as private standards improve. Ordinarily the shortcomings of the fundamental institutions and agencies in society are not compensated for by legislative acts or statutes.

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"As sources of revenue for the states and local communities our present liquor control systems are richly productive. Yet it must be acknowledged that there is little evidence which suggests that our liquor laws contribute significantly either to a decline in the rate of excessive drinking or to the development of a constructive program emphasizing education about the use of alcoholic beverages and the prevention of alcoholism. The problems of legal control of alcoholic beverages are tremendously complicated. It is too much to expect that a single state commission, burdened with a mass of administrative detail and frequently limited in its function by law, can accomplish radical changes in public attitudes in a brief time, changes toward which the whole nation has been working with only limited success for more than a century. Perhaps too many citizens accept complacently the existing status of legal control, assuming that they have discharged their responsibility in the matter with the establishment of an alcoholic-beverage control commission.

"There is opportunity for improvement in many state systems of control, and some activity in this direction is taking place. Pressure develops from time to time for a reduction in hours of sale; restrictions on advertising in the public press; a decrease in the number of outlets in a given area; an increase in license fees. These are important matters. A license to

engage in the business of selling alcoholic beverages constitutes a privilege granted by government and not a right of the individual. Because this privilege, if not carefully exercised, may prove a threat to the best interests of the community, holders of licenses are subject to the constant scrutiny of those who would protect themselves as citizens. There is reason for the strict enforcement of laws governing the sale of alcoholic beverages. Yet it is possible to lose sight of the social function of alcohol control legislation when public attention becomes absorbed in administrative and enforcement procedures.

“The alcoholic-beverage industry is entitled to share the privileges under law which are enjoyed by any legally constituted business. The industry is subject also to such legal responsibilities as corporate taxes, employment regulations, and so on. However, due to the special characteristics of the products of the industry, and also because of the varying social attitudes exhibited toward alcoholic beverages, legislatures have an exceptional responsibility in granting privileges of manufacture and distribution to brewers, winemakers and distillers and their agents and to retailers—a responsibility distinctly different from that which arises in connection with producers of radios or ice cream.

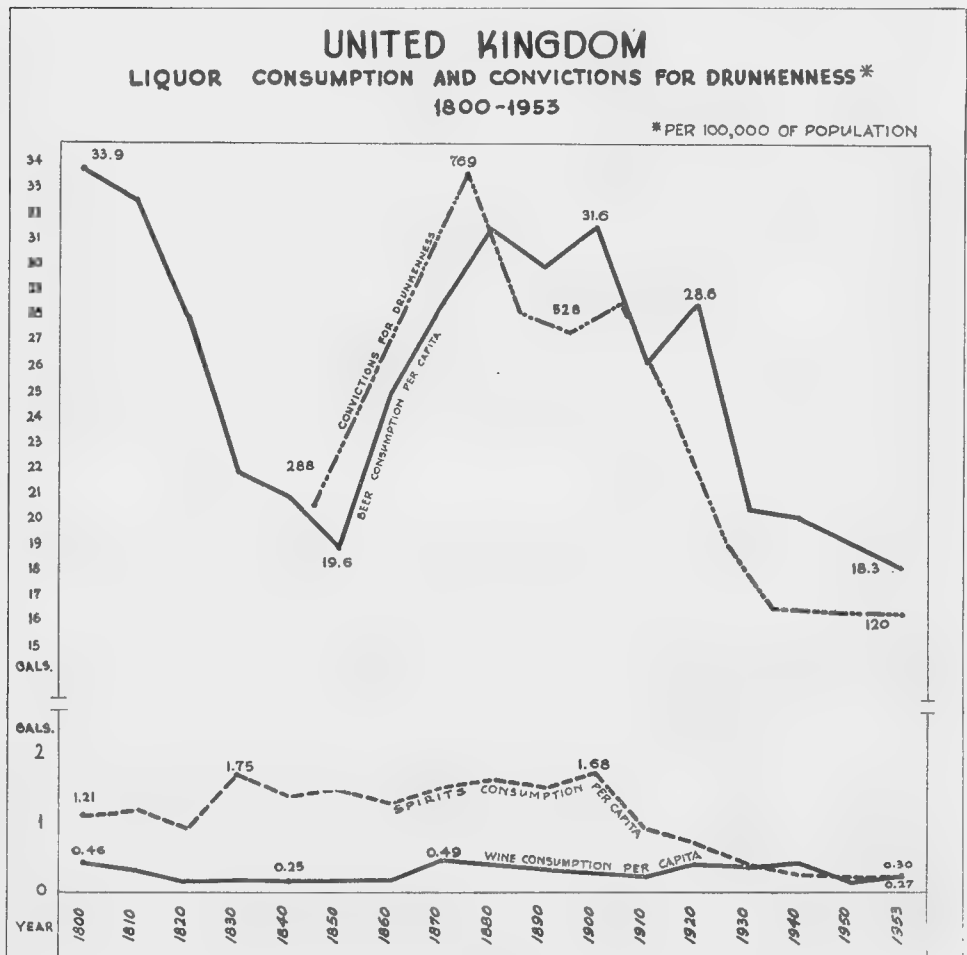
“Legal controls over alcoholic beverages can be expected to reflect the characteristics of a region and the local attitudes of the people living in it. Significant differences in legal conditions of sale and distribution can be anticipated as between a large metropolitan area, a small manufacturing town, and a rural community. Comparisons of the effectiveness of controls between various regions, or of American systems and those of England or the Scandinavian countries, are invalid if consideration is given only to the laws. There are other considerations more basic than law, such as the temperament and homogeneity of the people, the relative distribution of industrial and farming areas, and the social attitudes toward the use of alcoholic beverages.

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“Any productive plan for the reorganization of administrative functions in a political unit must evolve out of legislative action. In some states the necessary changes are difficult to achieve because of the rigidity of the political structure. Moreover, the legislator who supports a movement which will culminate in reducing state tax receipts is likely to enjoy only a brief period of public service. For these reasons strong public support must be built up before significant improvements can be achieved.

“One of the primary responsibilities of a liquor control board is the regulation of alcoholic beverages so that they will be available to those capable of using them but not to those who abuse them. This is certainly a responsibility difficult to fulfill. But a program limited to the production of revenue is not a substitute which can be justified in terms of public welfare. There is little evidence to suggest that our present system of high license fees and high taxes has had a constructive effect on drinking

habits in this country. An attempt to reduce the level of competition by reasonable rules under a system of strict administrative control need not inevitably result in an increase in bootlegging. The key to effective public control of the sale of alcoholic beverages does not lie only in the constant challenge of the tactics of the liquor industry by the temperance forces. Moreover, the balance of power in such a struggle—a balance which, unfortunately, is not being used—is not in the hands of the excessive drinkers but in those of the non-drinkers and occasional drinkers. A program of supervision over the manufacture and sale of alcoholic beverages which would justify the co-operative support of abstainers and occasional drinkers could result in a maximum of effectiveness from the viewpoint of social control and social responsibility.”



## CHAPTER VII

### WHAT SOCIETY DOES ABOUT ALCOHOL — MORAL SUASION

Introduction — Early Historic Background — Modern Temperance Teaching — Trends in Temperance Work — The Temperance Movement in Sweden — The Temperance Cause — Alcohol, a Moral Problem — Moderation as an Ethical Principle — Abstinence as an Easier Way

There are two widely different approaches to the question of the regulation of liquor in the public interest — namely, moral suasion and legal control. Moral suasion is much the older of the two, it occupied the stage for many centuries. Legal controls had their beginnings in the Western world less than five hundred years ago and in their more extreme form less than one and one-half centuries ago.

This chapter will deal with the development of the voluntary approach — moral suasion — in its various manifestations, including imperial decrees, religious doctrines and the Temperance Movement. The next chapter will deal with the development of legal controls from the earliest period of “licensing” and “laissez faire” through the prohibition period, and that of government “control” the last movement generally found in America as an integrated system combining phases of all previous approaches to liquor control.

#### EARLY HISTORIC BACKGROUND

Except for nomadic Indian tribes, Eskimos, and certain South Pacific Islanders, most people seem to have known the use of fermented liquors from the dawn of their history. Pictures which antedate the discovery of writing show that alcohol played an important part in the lives of primitive peoples. Ancient Egyptian pictures show women intoxicated and drunken men being carried home on the heads of their slaves. The code of Hammurabi (C. 1800 B.C.) includes the instruction: “If a wine merchant has collected a riotous assembly in her house and has not seized these rioters and driven them to the palace, that wine merchant shall be put to death.” Since the reference here is obviously to the sale of wine in a brothel, the early mixture of drinking with other vices is clearly indicated.

#### Alcohol in the Old Testament

The Bible recognizes drinking as a consequence of agricultural civilization in the story of Noah. Noah is shown as the archetype of agricultural man. After the flood he cultivates a vineyard. From the fruit of the vine, he makes wine and gets drunk. The consequence is that his son sees him “naked”, that is symbolically, his shame and helplessness are shown to the world. Judaism was not an ascetic religion. It asserted that God created the world and saw that it was good. The Psalmist sings of God: “He causeth the grass to grow for the cattle and herb for the service of man . . . and wine that maketh glad the heart of man.” (Ps.104:13-15) Drunkenness and any

excess is nevertheless, condemned in various places. "Woe unto them that rise up early in the morning that they may follow strong drink; that continue until night till wine inflame them." (Isaiah 5:11) Moderation is the alternate to excess; nowhere in the Old Testament is total abstinence generally recommended.

Two sects of Judaism did practice total abstinence for special reasons: the Nazirites and the Rechabites. The Nazirites, in the interest of especial holiness, vowed to abstain for a **limited time** from razors, corpses, and wine. The Rechabites felt that the Israelites had made a mistake in settling down to an agricultural life in Canaan; and they held out for the nomadic life, "refusing to build houses; sow the soil, plant vineyards, and drink wine."

### **Ancient Greece**

Unlike the Hebrews, the Greeks found their approach to the divine through the excitements of sex and drink. While the rites to Dionysius, the god of wine and fertility, originated with restraints, later revels in **his honor** were unrestrainedly orgiastic. Homer, however, has the great hero Hector refuse wine "lest (it) cripple me of my courage and I be forgetful of my might. And in the **Odyssey** Elpenor rose up after a debauch, and in his muddlement fell off the roof and wak'd in hell." Nevertheless drink was considered beneficial to health, to friendship, and an inspiration to poetry in ancient Greece. Plato's **Symposium** is a discussion of philosophical problems at a banquet where wine flowed freely, but those who became drunk are treated disparagingly. In the **Laws**, Plato recommends abstinence until thirty years of age, moderation until fifty, but in old age a man should be allowed to drink as he pleases.

For many years the Greeks had one of the most famous examples of alcoholism before them. Alexander the Great, after conquering the known world, died in an alcoholic bout, after he had slain his best friend in a previous fit of intoxication.

### **Rome**

The Romans took their attitude toward drink from the Greeks, and like them had a god of wine, Bacchus. In the early days of Rome, wine was scarce and was used mostly for libations to the gods. In the days of the prosperity of the Empire it came to be used to excess regularly, and the Emperor Domitian ordered the destruction of half the vineyards, and forbade the planting of more without imperial license. Many historians feel that alcoholic excess contributed to the final fall of Rome.

### **China**

Chinese history records that in the 12th century B.C. the Duke of Chan, because of the excessive drinking in China, was able to overthrow the Shang Dynasty which had lasted six hundred years. It is notable that when

he tried to protect his own people from a like fate by limiting the use of fermented drinks, **under penalty of death**, to sacrifice and religious feasts, the only consequence was that every feast was designated a religious one. Thus far away and long ago efforts at control failed of their purpose. While there are other references to excess in their history, the Chinese have been for the most part moderate drinkers. Their vice has been the use of opium and other drugs!

## **India**

In India in ancient time an intoxicating drink called soma was the proper offering to a god of that name. In the Vedic hymns the drunkenness of the god Soma is extolled as good for the people and increasing birth rate among cows. Soma, made from a plant of the milk-weed family, was also used by the Parsees. In later Indian history, the laws of Manu (200 B.C.—200 A.D.) speak vigorously against the use of spirituous liquors. Indian religion for centuries has been very other-worldly, and the mystic state has in some ways served the same function as alcohol. The Indian people have been for ages without a serious alcohol problem, but in recent times the effect of Western civilization has been to introduce one.

## **The Mohammedans**

Drinking is forbidden by the Mohammedan religion, and the Mohammedans have an unusual record of abstinence. In recent years their more extensive contacts with people of other religions have made this taboo less effective, and in coastal and commercial Mohammedan cities drinking is becoming common. It is interesting to note that, although wine is forbidden to them on this earth, Mohammedans consider it desirable, for wine is one of the rewards the Mohammedan faithful are promised in the after life.

## **Northern Peoples**

Most of the races of the northern Europe enter history late, and records of their early drinking habits are limited. From what is known, it is clear that they were always heavy drinkers. A drink of high alcoholic content made from honey and called mead as well as various beers were their usual drink. Wine was brought north by the Romans late in history.

## **Christianity and Alcohol**

There is no single, clear-cut Christian attitude toward drink. Christ was accused of being a "winebibber and glutton" because he was not an ascetic like John the Baptist. On the other hand he severely condemned drunkenness, and placed his disciples under a strict moral code. The Apostle Paul met the problem in a very painful form, for he had to condemn pagan converts who became drunk on the Communion wine. What is more he had a real concern for the weaker brother and pointed out that "All things

indeed are clean . . . but it is good not to eat flesh, nor to drink wine, nor to do anything whereby thy brother stumbleth" (Rom. 14:23). On this text rests most of the total abstinence thought in present day Protestant churches.

While the early church condemned drunkenness, only a small sect known as the Aquarians advocated total abstinence. St. Augustine condemned the latter view as a Manichaeian heresy, and the attitude of the Roman Catholic church has tended to follow his teachings. The Middle Ages saw great excess of drinking even among the Monastic orders, and this excess was of concern to both the Reformation and Counter-Reformation. Martin Luther drank wine though he was known to be abstemious and given to fasting. Calvin, who was gravely concerned about the civic action of Christians, condemned drunkenness strongly, but he said: "If anyone vow abstinence from wine as if there was any holiness in such abstinence, he is chargeable with superstition; if this be done for any other end which is not improper, no one can disapprove it."

The Eighteenth century, which saw drunkenness rampant in England, was the age of John Wesley who saw their consequences at their worst and whose condemnation of it was stringent. Through his influence and because of the increase of drunkenness with the widespread rise of distilled liquors, a large segment of the Christian Church has since that time had a strong policy of total abstinence. In some churches it is a requirement of membership, but in most it is merely commended and left to the conscience of the individual. Most temperance movements, however, have sprung from this sentiment in the Churches of Calvinist, Wesleyan, and Baptist backgrounds.

The position of the United Church of Canada is set forth in the resolutions adopted by the 13th General Council of the Church of Vancouver, September, 1948:

1. BE IT RESOLVED That this General Council reaffirm the declaration of the Twelfth General Council, that the practice of voluntary total abstinence is the only wise and safe course to follow in relation to the use of Beverage Alcohol;
2. In making this re-affirmation this council recognizes that there are those persons within our Church life who justify the use of Beverage Alcohol on social occasions and as individuals moderately practice its use.

To this group of people the Council makes a two-fold appeal:

3. While recognizing the right of the individual as to liberty of conscience, hence of action, Council re-iterates its declaration that total abstinence is a better and safer course of conduct than any form of social drinking.
4. Realizing that social drinking is habit forming and is producing serious effects on a great number of people, especially youth, Council calls upon church people to refrain from using and serving alcoholic beverages in the belief that such action will (a) demonstrate that consumption of beverage alcohol is not essential for the creation of a social and friendly atmosphere, and (b) safeguard young people and others from undue temptation.
5. BE IT FURTHER RESOLVED that a "Declaration of Purpose" be prepared by the Department of Evangelism and Social Service for distribution throughout the Church; this Declaration to read as follows:

6. "The General Council of The United Church of Canada having called upon all its members to recognize that total abstinence from the personal use of alcoholic beverages, and from offering them to others, is a Christian duty and privilege.

I promise to support my church by:

- (a) Abstaining completely from all personal use of alcoholic beverages.
- (b) Refraining from offering them to my family or my guests on any occasion.
- (c) Refraining from investing my money directly or indirectly in any company which manufactures or sells such beverages.
- (d) Using my influence to encourage others to support my church on this issue.
- (e) Using my vote on behalf of all social legislation which makes a constructive contribution to a Christian society.

The general position of the Church of England in Canada is set forth in a statement by the Provincial Synod of Ontario, November, 1947:

"This Synod recognizes the evil of intemperance and ranges it among those which specifically require official control. The Synod particularly is concerned about the prevalence of the evil among young people.

"The Synod, however, calls upon the members of our own Church and urges all men of good will, to bear constantly in mind the true character of the Christian ethic, which is self-control by the Grace of God.

"In the life of the total community the example of Christian people is of paramount importance and they must always remember their responsibility for the weaker members of society. In this regard we are our brother's keeper and must help to bear the infirmities of the weak. Temperance is therefore a bounden duty for Christians, and abstinence, for the sake of others, is a splendid privilege, by grace of Christian service.

"The Synod believes that this represents a reasonable statement of the Christian point of view in this matter, and calls our people to self-discipline and consideration of the welfare of others and, above all, to a constant use of the means of grace without which 'ye can do nothing'."

In 1952 the Roman Catholic Archbishop of Ottawa stated:

"Last October the Sacred Consistorial Congregation at Rome made known to the Ordinaries in Canada that the following were forbidden in parochial halls: A—Sale and use of intoxicating beverages."

Local churches have concerned themselves extensively with the problem, and in the Province of Quebec there is a large membership in Les Circles Lacordaire et St. Jeanne d'Arc, a strict total abstinence movement. In Manitoba the representatives of the Mennonite churches of the province in its appearance before the Enquiry Commission made a strong plea for the prohibition of the liquor traffic.

## THE TEMPERANCE MOVEMENT

Except when it was tribal in nature or part of religious rites, drunkenness has been frowned upon by serious men in all ages. Organized movements against liquor, however, are of recent date. The earliest examples, perhaps are the various societies for the Reformation of Manners, which appeared in England after 1690. While not concerned with the liquor problem alone, much of their activity was directed against drunkenness among



the lower classes. These Societies varied in personnel, there being one composed of eminent lawyers, divines and Members of Parliament; another of clergymen of the Church of England; one of Justices of the Peace, several of tradesmen; and even one of public informers.

The specifically temperance organizations came into being in the nineteenth century. At that time because of the increase of drinking due to the drab and inhuman working conditions, and drunkenness due to the widespread use of distilled liquors, small groups dedicated to the propagation of temperance sprang up in all English-speaking countries.

While the Societies for the Reformation of Manners simply opposed drunkenness, the new organizations unanimously opposed any use of spirituous liquors as beverages. Many of them, notably the famous Dr. Benjamin Rush in the United States, were not opposed to the use of light wines and beer, or even spoke approvingly of it. This division between total abstinence groups and light wine and beer people has continued until the present, and guarded acceptance of the latter viewpoint found strong expression in the famous Fosdick-Scott report prepared at the time of the repeal of prohibition in the United States.

The first organized movement in the United States dates from 1808. In Ireland a large movement was under way by 1829. In London the British and Foreign Temperance Society was established in 1831. By 1837 England was dotted with small temperance societies as is shown by Dicken's satirical reference in *Pickwick Papers* to The Brick Lane Branch of the United Grand Junction Ebenezer Temperance Association.

It was the result of a jesting visit of six Washington working men from a drinking society to just such a temperance society that the first major American temperance organization was established in April, 1840. This was the famous Washingtonian movement. By the end of its first year it was able to parade 6,000 pledged abstainers through the streets of Baltimore. In the next few years it spread up and down the coast, until in 1846 the number of teetotallers in America was stated to have increased from two to five millions. It is probable that more than a third of the pledges the Washingtonians obtained came from reformed drunkards! Before ten years were out the movement had spent its force and was dead. Its ardent, continuing membership went, for the most part into the National Temperance Society.

Other high points in the temperance movement have been: the organization of the Independent Order of Templars, 1851; the organization of the Bands of Hope in Leeds, England, which brought youth into the temperance effort; the introduction of temperance teaching into both English and American Schools between 1850 and 1860; the foundation of the Women's Christian Temperance Union in 1874; and the establishment of the World League Against Alcoholism in 1919.

It would require far too much space to discuss the differing policies of these organizations, but several aims should be noted. The majority of them were in favor of total abstinence, and very early saw political action as

the means of achieving it. They stood successively for local option, then state and provincial prohibition, and finally for national prohibition, which was achieved in both the United States and Canada during the First World War.

The temperance organizations and their notable leaders have been too great in number to record here. It is important to note, however, that many persons of international fame have often been connected with the cause. In England, Canada, and the United States temperance movements have always stood for temperance, generally for total abstinence, and frequently for prohibition. At present few such movements advocate coercive prohibition by law but they are still tagged by the liquor interest with the association of the word temperance and the idea of legal prohibition.

The Netherlands, the Scandinavian Countries, and Switzerland, have long had temperance movements which consider prohibition impractical if not undesirable.

In Canada the temperance movement began with the organization of a society dedicated to temperance principles in Nova Scotia in 1828 and the establishment of the Montreal Temperance Society about the same time. Similar societies began to be formed in Ontario about three years later. In 1847 the international organization known as the Sons of Temperance formed groups in Ontario, and in 1858 the Independent Order of Good Templars began Canadian work. After Confederation the Women's Christian Temperance Union and the Royal Templars became active throughout settled parts of the Dominion.

In 1875 sixteen members of the House of Commons called a convention of prohibitionists, and out of this grew the Dominion Alliance for the Total Suppression of the Liquor Traffic. This was the national dry organization for many years, although in 1887 a large number broke from it to support a new Canadian political party with a prohibition platform. As was the case in the United States, this party had no important political effect beyond disrupting the forces favoring prohibition. The present Canadian Temperance Federation is a continuation of the original Dominion Alliance, the name having been changed to comply with modern thinking during one of the periods of reorganization.

## MODERN TEMPERANCE TEACHING

Modern temperance teaching on this continent has been tending to be increasingly objective, scientific, and non-moralistic. The following excerpts are from a manual for teachers published by the Washington State Temperance Association, one of the most effective temperance groups which this Commission met:

## The Compulsion to Drink—

"If, as many people believe a craving for alcohol were inherited, then compulsion would be an important factor in precipitating drinking. Such, however, is not the case. While it has been shown that children of alcoholic parents are more likely to become alcoholic themselves than are the children of non-alcoholic parents, this is not due to an inherited compulsion to drink. Rather it arises out of poor discipline and guidance, the example of excess on the part of the parents, and mental deficiencies and abnormalities which are often inherited traits in alcoholic families. It may well be that children of alcoholic parents more readily develop or acquire a craving for alcohol, but this does not justify belief in the inheritance of compulsion as a cause of drinking in the first instance.

"On the other hand, compulsion is the factor which keeps the habituated drinker drinking once he has started. Dr. Robert V. Seliger, Chief-of-Psychiatrics at Johns Hopkins, points out that "Consciously or unconsciously he takes to the easily acquired habit of taking a drink for a 'pick-up' or to allay feelings representing anxiety and insecurity." Before long he develops a "need" for alcohol, which grows in intensity until the alcoholic's very existence seems to depend upon it.

"It should be made clear at this point that the craving for alcohol is not so much physical in the sense that it is for morphine, heroin, cocaine, etc. The alcoholic does not experience the painful and occasionally fatal withdrawal symptoms of the dope-addict, when alcohol is withheld. However, the "shakes" or severe trembling, nervous irritability, and headaches and delirium tremens are considered to be evidences of a physical dependence on alcohol. Nevertheless, alcoholism, like dope addiction, is primarily a psychological conditioning to the physical and psychological effects of alcohol. The person becomes so dependent upon alcohol to make him "feel" a certain way that without it he does not care to live and often, in fact, feels he cannot live.

"Compulsion, therefore, is a powerful factor in supporting the continuing use of alcohol. Some four million alcoholics and three million problem drinkers in the United States today are to a more or less degree habitual or compulsive drinkers. The following reasons for drinking are inseparably related to alcoholism and the psychological compulsion which it creates:

- 1) To quench a growing thirst
- 2) Because of a feeling of "need" for a drink
- 3) To relieve the shakes
- 4) To quiet the nerves
- 5) As an eye-opener
- 6) To make life bearable

"When a "social" or "moderate" drinker begins to feel that he or she must drink for these reasons, alcohol addiction, which will in time lead to mental and physical deterioration, is impending.

## Why Abstain?

“The following are a few practical reasons why young and old alike might choose to abstain.

In order to:

- 1) Maintain vigorous health of mind and body.
- 2) Avoid the very unattractive and unglamorous appearance of intoxicated people.
- 3) Keep out of avoidable trouble.
- 4) Avoid interference with the maximum performance of driving skill.
- 5) Assure the best possible efficiency in a chosen profession.
- 6) Encourage the respect and approval of worth-while associates.
- 7) Avoid the temporary loss of memory caused by extreme intoxication.
- 8) Avoid the impulse, irresponsible tendencies which intoxication encourages.
- 9) Escape the moral degeneracy often caused by drinking.
- 10) Assure maximum agility of mind and body in times of emergency or crisis.
- 11) Have the satisfaction of meeting problems and disappointments squarely the first time—rather than after attempting to dodge them by drinking.
- 12) Avoid developing a tendency to depend on alcohol in order to have a good time.
- 13) Never have to worry about having a hang-over.
- 14) Avoid the poverty, debauchery and disgrace of alcoholism.
- 15) Avoid setting an example which may ultimately lead another to become alcoholic.

## The Considerate Drinker—

“The very first effects of alcohol upon the human mind are such that even in slight amounts it renders the individual less capable of showing due consideration for the comfort, safety or welfare of others. The ability of the individual to manifest proper consideration diminishes in direct proportion to the quantity of alcohol consumed. Consequently, only with minimal consumption can any individual be considerate and then only if he observes certain proprieties. This is not intended to give tacit or implied approval of drinking but rather as a guide for evaluating the consideration manifest by drinkers for the rights of others.

The considerate drinker:

- 1) Strives to make the non-drinker feel at home in a group where drinks are being served.
- 2) Avoids saying or doing anything that will embarrass the person who declines to accept a drink.
- 3) Never urges a drink upon anyone whether he be a drinker or non-drinker.
- 4) In public is never profane, obscene or abusive in action or speech.
- 5) Shows respect and consideration for the rights of those who have a differing point-of-view.
- 6) Never drinks nor discards empty containers in public places such as beaches, parks, alleys, streets, highways, etc.
- 7) Observes carefully all laws governing the distribution, sale, and use of beverages containing alcohol.
- 8) Never tries to induce anyone engaged in dispensing alcoholic beverages to violate any code, law or regulation.
- 9) Never attempts to drive after drinking, regardless of how slight the alcoholic content of the beverage—or the drinker.
- 10) Never becomes drunk or unruly.

## The Considerate Abstainer—

"It is too often assumed that only the drinker is capable of showing a lack of due consideration for the private rights and privileges of others. Realism renders it most obvious that such is not the case. The non-drinker can be just as intolerable and inconsiderate on occasion as the drinker. Following are some suggested proprieties which the abstainer would do well to observe.

### The considerate abstainer:

- 1) Does not strive to make a great show or spectacle of his abstention.
- 2) Is always courteous and kind in declining drinks offered to him.
- 3) Does not assume a holier-than-thou attitude toward the drinker.
- 4) Avoids saying or doing anything that will embarrass the considerate drinker.
- 5) Shows consideration and understanding for those who have a differing point-of-view."

H. H. Hill: Why People Drink, pp. 17-19.

## TRENDS IN TEMPERANCE WORK\*

"National prohibition was achieved in the United States in the second decade of this century by the building of a strong national organization, the Anti-Saloon League of America. Tons of literature were produced and distributed from the headquarters of the League at Westerville, Ohio. There was a gradual decline in the national league during the depression. After the repeal of the 18th Amendment a reorganization took place in which the national Anti-Saloon League became a clearing house and the burden of activities was put back on the state leagues. Most of these were also in decline, several disappeared, and others went through reorganization.

"The Second World War saw a revival in temperance work in nearly every State. The 21st Amendment provided complete state sovereignty in regard to legal controls, the absence of which had been one of the chief reasons for national prohibition. A National Temperance Movement was organized as a result of dissatisfaction in several states with the Anti-Saloon League. After negotiation these were united in 1950 into the present National Temperance Society. Today there are state temperance societies affiliated with the League in 42 states.

"Research conducted by the author may indicate some interesting trends and changes in the temperance movement during the past 30 years. An extensive questionnaire was sent to approximately 100 officials and professional people who are leaders in the temperance movement in the United States and Canada. The questionnaire was designed to cover three areas (1) general information about the organization of temperance work; (2) activities of the organizations; (3) concepts which inform the thinking and attitudes of the people working in the temperance movement.

"At the time of writing 61 of the total questionnaires had been returned completed. The majority of the respondents are officially connected

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\*Material presented by Dr. Albion Roy King to Yale Summer School of Alcohol Studies, 1954.

with what may be described as the old line temperance organizations. Others completing the questionnaire included church board officials with responsibility for temperance activities, several directors of temperance education groups, and three teachers or directors of educational programs in public schools. The organizations represented in the study include 20 which are affiliated with the National Temperance League.

"For the most part the temperance movement surveyed is the arm of the dominant Protestant Churches. They carry the load, not only for the inter-denominational temperance organizations, but some of them have very strong temperance board programs within the church.

"It must be understood that the material gathered from this study is not adequate for any conclusive statement about the temperance movement as a whole. It may be useful in indicating trends and changes in the movement, and in pointing up current agreements and disagreements among the 61 leaders who are active in 1954. It also suggests the kind of questions and answers which may be useful for further study of the temperance movement.

"As an indication of what these temperance workers consider their most important work, they were asked this question: "If your resources in money or in volunteer time were to be doubled, what would you consider the most desirable ways to utilize such assets?" The main responses were as follows: 32, expand education; 8, radio and television work; 7, develop visual aids; 5, add staff workers; 3, organize more legislative effort; 9, expand publications; 4, organize clinics, counselling, and rehabilitation facilities.

## CONSTANT CONTROLS

"Most of the temperance leaders seem to have the conviction that the alcohol beverage industry must be subjected to constant controls and legal pressures. Most activity of this type takes the form of local option work and details in the regulation of the legal outlets. Only two expressed opposition to the local option principle. One commented that it seems relatively futile under modern conditions of transportation.

"Belief in national prohibition is not dead in the temperance movement, but there is wide disagreement on this subject. Only seven score this point as a primary objective in their organized efforts. Twenty-six believe it could be made to work into efforts for it. Others say that at best it is a remote goal. All agree that it is not possible nor practical until a vast majority can be brought to total abstinence voluntarily. Twenty-three express definite opposition to national prohibition.

"A growing number of leaders are disillusioned with the idea of social reform through legal action. Every form of legal control has been tried, and few leaders are satisfied with the results. The only ultimate Christian solution, they hold, is voluntary total abstinence. This conviction has in-

tensified all efforts at education and commitment through the schools and churches.

"Perhaps nothing better illustrates the shift which has taken place in the attitudes and activities of temperance workers than the following scale on which respondents were asked to register such shifts:

"35 changed from emphasis on prohibition to emphasis on education.

"26 changed from emphasizing the evils of excess to emphasizing the hazards of moderation.

"14 changed from emphasis on the evils of drinking to stressing facts about alcoholism.

"7 changed in objective from moderation to total abstinence.

"2 indicated a shift from damning liquor and stressing its effects to an emphasis on the psychological factors, such as emotion and motives. One noted a change from emphasis on the right to moderation to emphasis on the social obligations of the Christian.

"It is well-known that the temperance movement in the 19th century began with a profound concern for the alcoholic. It was first of all a temperance movement because it sought to reform the drunkard and keep drinkers "temperate". Yet in a historical development, the movement became an effort to achieve total abstinence for the individual and the abolition of the industry from society. Even the Anti-Saloon League was founded at the end of the 19th century in opposition to the saloon, not to alcohol as such, and it received some early support from people in the industry who wanted to abolish that widely criticized institution.

## PROBLEM OBSCURED

"In this development, there is little doubt that the problem of the alcoholic was obscured. The movement objectified its enemy — drink and the liquor traffic — and to some extent lost sight of the fact that individual persons and their situation in existence is the real source of the problem.

"A revival of interest in the alcoholic has come . . . since the repeal of prohibition. The stimulus to this interest has not come from within the temperance movement we are reviewing, and the reactions of the temperance leaders to that concern have been mixed.

"Forty-three of our respondents agree that alcoholism is a disease. Fifteen deny it. 35 hold that alcohol is the **only** cause of alcoholism, and 21 disagree with that proposition. 34 affirm that alcohol is **only one** of the causes of alcoholism, and 13 disagree with this. The results are not quite consistent, and this certainly reflects the confusion which afflicts our whole understanding of the problem. It is probable that all of those who agree to the concept of disease as applied to alcoholism would insist that the disease notion does not free the individual from moral responsibility.

## HELPING ALCOHOLICS

"Twenty-eight agree with varying degrees of conviction that, "Helping alcoholics to recovery should be a primary concern of temperance work," twenty-four disagree. Forty-four hold that, "Helping alcoholics to recovery, while worthy enough for the church or social agencies, is a diversion from the main objectives of the temperance worker." Thirteen disagreed with this statement. As noted above, five of the organizations surveyed have departments devoted to counselling and rehabilitation.

"What the temperance organizations are actually doing in the area of counselling and rehabilitation is the more decisive consideration. It seems very definitely that there is a trend toward more active participation in these functions.

"Five leaders list a "Counselling service for alcoholics" as a major activity of their organizations. Two of these are state organizations affiliated with the National Temperance League; two are church organizations and one is a Canadian provincial organization. Five others regard this as a secondary function, and fifteen check it as a desirable activity but not accompanied by much action. Five registered indifference and nine listed it as irrelevant to their program.

"Thirty-four actively support Alcoholics Anonymous. Only three register opposition to A.A.; four indifference, and three irrelevance.

"In three states at least the temperance league organizations have been active in securing clinical and hospital facilities for alcoholics. Twenty-four register approval of such a project. One registers opposition to the idea; four indifference, and eight list it as irrelevant.

"Several of the state organizations are active in the committees on alcoholism, and one has an active program of industrial rehabilitation which takes the time of one man.

"This area of counselling and rehabilitation is a growing concern of the temperance movement, but it is also evident in the current attitudes of the leaders that the movement is not to be diverted from what it conceives to be its more important function, the prevention of alcoholism.

## A COMPARISON OF UNITED STATES AND CANADIAN TEMPERANCE VIEWS

"Without having carried it out thoroughly, I believe that a comparison of the questionnaires from the Canadian secretaries with those of the states would reveal some very significant differences. As the Reverend John Linton, General Secretary of the Canadian Temperance Federation pointed out, Canada never went through the same sort of struggle over prohibition as we in the states. Very few in Canada ever caught the simple idea of a single solution of the alcohol problem. There seems to be little difference in the general conclusion that moderation is no solution and total



abstinence is the objective. There is little difference in the educational programs, although these seem to be better accepted and supported in Canada, as seen by the fact that most of the provinces support the programs in the schools by direct appropriation to the temperance organization from state funds. But activities in Canada are on a broader basis. There is practically no hostility to the current concern for the alcoholic. Most of the federation leaders are active in the governmental commissions on alcoholism, and leading in the campaign for clinical facilities. There is less reliance on legal action, and a clear notion that total abstinence must be put on a voluntary basis. There is more collaboration in Canada between Catholics and Protestants and between Anglicans and the United Church people in the temperance work."

### THE TEMPERANCE MOVEMENT IN SWEDEN\*

In 1944 the Fifteenth National Conference of Temperance People adopted a comprehensive program, the so-called Fourteen Points, for the long-time work of the movement. The expressed ultimate aim is the liberation of Swedish life from alcohol as a beverage. To reach this goal it will be sought to lower step by step the consumption of alcohol.

The measures to be taken are stated in fourteen points:

1. The effects of the use of alcohol, the means calculated to improve temperance, must be an object of research carried on according to modern scientific methods.
2. Improved teaching about the effects of the use of alcohol at the University, in normal, primary and other schools. State supported alcohol education among adults. Energetic propaganda for total abstinence and for healthy living in general pursued by means of press, radio and film. All forms of alcohol advertising must be prohibited.
3. Greater financial support by the State and the communes to the temperance movement.
4. It is evident that the present liquor legislation based on individual restrictions and rationing has failed. If another, better system can be found it should be tried.
5. Extended and improved public measures for the rehabilitation of alcoholics by individual treatment. The temperance boards should be authorized to proceed against young people before their drinking has developed into alcoholism. The individual and social causes as well as methods of rehabilitation and prevention of alcoholism must be an object of scientific research.

The state, province and local organs for the supervision of temperance should retain the present degree of independence. In view of the great state revenues from drinking, the state should give greater financial support to the victims of drinking and to their families.

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\*based on article by The Temperance Education Board.

6. High taxation of alcoholic beverages to reduce consumption.
7. Disinterested management of the sale of alcohol should be extended also to malt beverages. Support to the movement for temperance restaurants. Fixed wages instead of tipping in restaurants.
8. No alcoholic beverages at public entertainments. No sale of alcoholic liquor at public dances or in the proximity of entertainment halls and parks. No alcoholic beverages at entertainments, organized and financed by the community.
9. Local option without qualifications. Reduced number of licenses for on-premise sale of alcoholic beverages in places where this number is great enough to have proved detrimental to temperance.
10. Shorter hours of sale. Present on-premise sales restrictions should be retained.  
The communes must have the right to give directions with a view to lower consumption.
11. Public opinion should demand total abstinence, while on duty, of all engaged in transportation, industry, military service or any other activity or profession in which the consumption of alcoholic liquor presents special dangers.
12. Energetic and efficient public measures should be taken against illegal trade in alcoholic liquor.
13. Social conditions tending to favor or to aggravate the abuse of intoxicants should be removed whenever possible.
14. State authorities should take proceedings against the managers of entertainments that endanger public health and sobriety. The communes should have the right to forbid this class of entertainment. The community should encourage all such forms of popular education, of the use of leisure as give the people healthy substitutes for drinking customs and thus gradually bring about the conviction that the use of alcohol is incompatible with the development of true culture.

Thus prohibition has been removed from the platform of the modern Swedish temperance movement, since it is recognized that public opinion would not make enforcement of a prohibition law possible in the reasonably near future.

### THE TEMPERANCE CAUSE\*

The story of the fight against the liquor power is the same in Canada as it is in the United States, and as it is throughout all Christendom. It is a story of stern effort and steady progress, to which there can be only one result. The temperance cause is winning; the temperance cause will win. Lack of confidence in this certainty is the result of a failure to understand the end of the movement. That movement is not a mere human invention or

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\*an address by F. S. Spence, for many years the leader of the Temperance and Prohibition Movements in Eastern Canada.

fake, created by some novelty-seeking cranks. It is the inevitable result of great universal conditions and forces. Wherever you find an evil of any kind, something that curses and hurts humanity, and into contact with that evil you bring men and women of Christian character, unselfish thought, and earnest purpose, there you have the elements of a moral reform. That reform will spring from those conditions, and will inevitably and irresistibly go on, until either the moral purpose dies out or the evil is overthrown. This is the origin of this great reform; the awful curse of intemperance and the God-given desire to be rid of it. Therefore if you could wipe the whole movement out of existence, with all its literature, its agencies, its methods and forms, but leave the curse and the God-inspired purpose, you would have the whole history over again. Progressing through all the stages it has passed, that movement would come to exactly the same position in which it stands today, and go on to the future victory that lies ahead, and we trust not very far away. Just as surely as tomorrow will follow today, so surely will the suppression of the liquor traffic follow the unholy system of encouraging, of protecting and licensing the traffic by so-called — and shamefully miscalled — Christian legislation.

The progress of this great reform has been almost unparalleled in the world's history. Even the supreme reform of Christianity did not make, in the same period of time, as much advance as the temperance cause has made. Think of the fact that one hundred years ago today there did not exist a temperance society as we understand the term. Uncensured and uncriticized, the liquor traffic was dominant everywhere. Drunkenness was so common as to call forth little comment and to involve practically no disgrace. Incredible vice and degradation prevailed. The idea of legislating to remedy the curse had no advocates. Look at our position now. Every Church inculcates temperance. Every corner of Christendom has its temperance society. Inebriety is a disgrace and is looked upon as a disqualification in any applicant for employment or any candidate for public position or favor. The statute books of every civilized nation are filled with laws for the regulation of the traffic and for the restraint and punishment of the vice. Today there are living under prohibitory laws more people than were in the whole British Empire when the temperance movement was inaugurated. No one claims that this progress has been unvarying or unmarked by defects and weaknesses. Although it is God's cause, and therefore certain to triumph, it is promoted and carried on by human instrumentalities; therefore mistakes will certainly occur, but these are not always disasters. Men learn by blundering. Up the ladder of failure they climb to the platform of success. To a certain extent we are wise today because of our ignorance of yesterday. We were guilty of folly which brought its own penalties, from which we gathered knowledge. This is the experience of every man, every movement. Every community. Every institution and appliance of our modern civilization has come from some experiment that resulted in failure out of which grew knowledge that led to success.

The temperance movement is no exception. Earnest men who never dreamed of total abstinence, deplored the evils of drunkenness, and set out to remedy them by advocating a moderate use of intoxicating liquors. To their minds drunkenness was the evil with which they had to deal. It did not cross their minds that there was anything wrong in drinking. More is known today of the nature and effects of alcoholic liquors. We know that lives may be shortened, health impaired, money wasted, moral character lowered, by the drinking of men who are never seen drunk. The early temperance reformers started out to remedy the evil of drunkenness by promoting what they considered to be wise kinds of drinking. Sometimes they tried pledges against anything but moderate indulgence in intoxicants. Sometimes they tried abstinence from ardent spirits, and encouragement of lighter beverages. They failed, but in their efforts they learned that drunkenness grew out of liquor drinking, and that if lager beer and light wines were tolerated the worst forms of drink would be sold under false names. Driven by the logic of the effects that they could not ignore, they boldly struck all permissions out of their pledges and came up to the position of total abstinence in which all consistent, well-informed temperance men stand today.

When this point was reached, they thought that they had solved the problem, but they found themselves still facing failure. The evil they opposed had a two-fold character; it was popular and legal. Wrong customs and ideas can only be met by moral suasion and total abstinence practices. The law protecting the liquor traffic can only be opposed by political action. The law provided temptation, and lured the reformed drunkard back to the abyss from which he had been rescued. Legalized liquor-selling trained the youth to believe that alcoholic indulgence was proper and safe. Driven again by stern necessity, the temperance reformers broadened their plans, enlarged their programme, and hoisted the battle flag of "total abstinence for the individual and total prohibition for the community."

That flag floats over the fighting line today. We are told to remedy intemperance by moral suasion. What use is moral suasion, while the forces of law and government are arrayed in defence of the liquor evil. Some people believe that prohibitory legislation alone will be effective. This is another blunder. Prohibitory law is the embodiment of public opinion, without which that law cannot be secured, and would not be of any value if secured. Law is the machinery that, operated and wisely guided, will accomplish results. Public opinion is the motive power that drives the machinery. Without both, success is impossible.

Further experience has taught us that the law, the effective machinery, impelled by public opinion, the motive power, must be wisely and honestly directed if good work is to be done. We have seen prohibitory laws backed by strong expressions of popular sentiment, administered by unsympathetic or dishonest officials; and again we have had to acknowledge failure because of human weakness and lack of previous knowledge to guide preparation for the emergency.

Thus, after years of study, experience, failure, knowledge, success, we stand today in a position logically and practically far ahead of any we occupied before. We know that to win in this great struggle we must have, firstly, sound sentiment in the community, and secondly, wise laws on the statute books, and thirdly, honest administration of the law when it is enacted. When these three essentials are secured, the temperance reform will be a success. It never will be while any of them is lacking.

### ALCOHOL IS A MORAL PROBLEM\*

"Science is not enough; it is never enough where a moral problem is at issue — and the alcohol problem is a moral question. I have not always thought so, and a great many people do not think so now. They take offense at any moralization on the evils of drink. It is a matter of taste or manners, but not of morals. These may be people who drink and intend to drink, and they resent any moral stigma attached to drinking. Or, they may be non-drinkers who are just bored by anybody's concern with a problem which seems remote for them. And then there are the dry partizans who believe that science has settled the matter and the problem is simply to get people to accept the verdict of science.

#### The Role of Science

"There are two meanings of the word **science** which may be usefully distinguished for those interested in the alcohol problem and in education for temperance. Primarily science is a method of investigation, a procedure for discovery and testing of the facts of experience. Among all those who work at the alcohol problem there are only a very few who qualify as scientists in this sense. Mostly such scientists are found in the laboratories of physiology or psychology or the centres of sociological research, although some research is also done in the clinics and psychopathic hospitals.

"Then the word science is also used to indicate that body of tested information about the use and effects of alcohol. Research on the effects of alcohol on the individual began in the laboratories of European universities during the latter years of the 19th century, and since that time it may be said that the facts about this aspect have become very clearly known and agreed upon today by all authorities. This information is available to all students and teachers of the subject, and by the mastery of it they may very well think of their knowledge as scientific. This ought to be the basic informational content of all programs of education, and is what we have aimed to summarize in the previous chapters of this book. Research today continues along the line of social customs and effects, and the discovery of the causes and cure of alcoholism.

"Beyond these areas of tested fact there is an area which might be called "scientific opinion:" the careful investigations and conclusions of

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\*by Albion Roy King, "Basic Information on Alcohol". Chap. XV.

competent thinkers about the motivations and evaluations of the use of alcoholic beverages. Testing in such matters means something different than the conclusions about the physiological effects of alcohol. It means that opinions must be presented to others for the purpose of rational criticism. Acceptance depends upon the logical force of the conclusions in the view of all known facts. This area is very important in the educational program, but the teacher must present the matter as opinion and throw the responsibility for thinking out his conclusions upon the student in the freedom of his own rational judgment.

## **The Faith of Socrates**

“An educational program or classroom situation puts certain restrictions upon procedure. In all such situations it must be assumed that students are intelligent and seek good. It must be assumed that they will make the right decisions if given access to the facts. This is the faith of Socrates, that knowledge is virtue, and it is the first qualification for the competent teacher. In the long run it may not turn out that people always do act right in accordance with knowledge, but so long as one operates within the classroom of a democracy he must have that faith. Therefore, the major objective in teaching will be to get understanding, rather than some agreeable conclusion or commitment. It is more often easier for a teacher to get agreement with his opinions than it is to get students to learn the facts. But decisions are not worth much unless they are founded on the understanding of the facts. The teacher will have the long time objective of stimulating what he considers to be right decision and action, but his immediate pressure is for this understanding.

“For a long time now two fallacies have plagued the thinking of temperance workers and others. One is the notion that science has delivered a final verdict on the problem. When I first began working at the educational end of the temperance reform, now nearly thirty years ago, I found that everywhere among the common people and students up to the age of those usually found in a college classroom the old fashioned opinions about alcohol prevailed, notions handed down by many generations of popular usage and uncritical examination — pre-scientific notions, in other words. Alcohol was thought to be a stimulant, a food, and a proper medicine, especially for all sort of home medication. The verdict of science in one particular was rendered very decisively in that decade, and it was very impressive; it was discovered that alcohol is never a stimulant, but always a narcotic and depressing drug in its effects. Then I thought the disposition of the matter could be put on science and education. All that was needed to make our society sober was an adequate education which would render the scientific truth clear to all. Later, when I made a study of motivations I came to a more significant conclusion, that people never did use alcohol because it was a stimulant. They only called it that as a verbal matter. All the basic motivations for the use of alcohol seek some anesthetic or narcotic

effect. The question of whether the ends sought in this manner are good or bad throws the question beyond science into ethics. Science brings to light what is; morality deals with what ought to be.

"A related fallacy is the widely heralded notion that education will settle the alcohol problem. People who have grown weary and displeased with efforts at legal controls have talked like this a great deal in recent times. There have been many educational programs. Nearly every state has a law requiring the public school teachers to instruct their pupils in the harmful effects of alcohol. It has been effective enough that the old notion of alcohol as a stimulant is beginning to disappear. But it is a sad disillusionment to study the statistics of increasing alcoholism or to learn that half or more of all the time and cost of police work in our major cities is consumed with care of inebriates and solution of crimes traceable to the use of liquor. It is too easy to blame the failure of education.

### **The Role of Propaganda**

"This is a question which calls for personal decision and decisive social action, and this requires something beyond science and education which we really ought to call propaganda. Propaganda means the organization of information and appeal to achieve commitment. It need not, and if it is good propaganda, it will not, be based on untruth. Propaganda ought to be founded on an adequate understanding formulated in the educational institutions. Both the wet and dry propagandas, instead of competing for a place in the schools, ought to require educators to do their job objectively. The centers of propaganda will always be the pulpit and the public press and the personal influence of people with a message. So long as the public press and the radio and television channels of communication are dominated by wet interests which can pay for advertising, there is an extra burden on the pulpit and on the personal influence of parents and community leaders.

"Alcohol confronts us as a moral question in two forms, personal and social. There is no contemporary moral problem where the ancient questions of Greek ethics present themselves in a sharper form than this: Is pleasure the chief value, and are all pleasures of equal value? Are there any pleasures in the use of alcohol which compensate for the terrible pains which accrue from its excessive use? Does the doctrine of the golden mean apply in this case? Is moderation possible? If so, is it important? Is it possible as a social program? But Greek ethics cannot be decisive for the Christian — it is too individualistic. The basic principle of Christian ethics is social responsibility and brotherly love. Does the use of alcohol implicate one in the causes of untold misery of the millions who are its victims?"

### **MODERATION AS AN ETHICAL PRINCIPLE\***

"Sincere people who are interested in finding a solution for the alcohol problem today present two different programs: one is the moderate use of alcohol and the other is total abstinence as a moral principle.

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\*Albion Roy King, "Basic Information on Alcohol". Chap. XVI.

“For the moderation group alcohol is one of the important values. The problem is not alcohol as such, but alcoholism. Ways and means should be found to prevent people from becoming alcoholics, if possible, and therapies should be perfected if they do. But the hope lies in the education of people for moderation.

“The total abstinence idea, however, is that alcohol is the problem. It is the major cause of alcoholism and a whole host of attendant evils. The values which people think they get out of its use are mostly illusory, and they are disvalued when judged in the light of man’s total experience. Those that are genuine can be achieved by other means without the hazards. The solution of the alcohol problem, therefore, is education and propaganda for total abstinence. Some advocates of total abstinence believe that it should be entirely voluntary, and others believe that coercions are necessary to enforce it. It may also be said that moderation is impossible, as a social project, without some coercions.

“Here we leave the realm of science and take up the role of the philosopher. Our problem is one in evaluation. There are no scientific data which deliver the verdict to either side. All the human interests must be brought into view for the achievement of a coherent judgment.

### **Some Ancient History**

“The moderation idea may be said to be the oldest proposed solution for the problems of drunkenness. All the great ethical literature of history condemns the evils of excess and pictures the good man as temperate. From a study of both the Hebrew and the Greek literature, I offer two general opinions: First, the problem of alcoholism in all its personal and social phases probably did not exist in the days of the Hebrews and classic Greeks as it does today. Second, the idea of total abstinence for all people as a solution of the evils of excess probably was not thought of. Drunkenness is roundly condemned in both literatures, but it is pictured as the vice of kings and princes. It is probable that wine and beer were available to the masses of the people only on festive occasions. They were expensive to make and preserve and therefore only the rich could become alcoholics. Ancient literature portraying the poverty and suffering of the masses, as the Book of Job, 24:1-17, makes no mention of drunkenness either as a cause or a part of the degradation. The Rechabites and the Nazarites in the Scriptures are two notable examples of total abstainers. It was part of their total dedication to the Lord and is rather startling in view of the fact that in so much of the ancient world the effects of wine were given a religious meaning. That the heathen world found a religious significance in intoxication may have been one reason for the repudiation of wine by these puritans in the worship of the God Yahweh. At any rate, their practice was simply part of the ascetic discipline of a minor sect and, so far as the record goes, was never advocated for all Jews. The controlled use of wine or



beer was never condemned and often extolled. It was probably taken for granted in most discussions of the problem of excess.

"In Greek culture the worship of the wine god Dionysus, or Bacchus, as he was called in Latin countries, was frankly a cult of drunkenness. The festivals of the god were a time for orgiastic drinking. This cult was criticized by some of the moral teachers, but the pattern was popularly accepted and undergirds some of the most important aspects of Greek art and literature. It probably did not result in a social problem of alcoholism such as we know in modern times. Plato, in the *Laws*, advocates a policy of abstinence for the citizen until he is thirty years of age. From that age until fifty he might indulge wine in strict moderation. In old age he should have all he desires. Aristotle's doctrine of the golden mean is often quoted as a doctrine of moderation. It certainly was a form of protest against popular excess as practiced by the followers of the wine god. But there is no place in his writings where he applied the notion specifically to the use of wine.

"During the early centuries of the Christian Church the question was raised by a sect which condemned the use of wine for Christians and would take only water to drink. We know of them in writings of St. Augustine who called them the Aquarians. There is no record that the sect came to trial or that they were condemned as heretics, but the Saint repudiated their practice and defended the use of wine as one of the gifts of God to man. Roman Catholic tradition through the ages has mostly followed the view of Augustine. Asceticism in the middle ages fixed on celibacy as an ideal but did not condemn the use of wine. Monasteries became famous for their wines, and the **Songs of the Goliardi**, which entertained the students and the monks, celebrated the virtues of wine and song.

"Protestant Reformers of the sixteenth century followed the same pattern. Luther, according to the tradition, extolled the virtues of wine. Calvin was a moderate user although drunkenness was severely punished at Geneva. Alcoholism was not raised as a problem in the sixteenth century.

### **The Modern Situation**

"The alcohol problem presents a very different picture when it is viewed in the social history of modern Europe and America. Distillation of liquors and modern methods of manufacture, storage, and marketing, have greatly changed the pattern from primitive man's home-brew and his efforts to preserve the fruit of the vine beyond the period of the harvest. These modern methods began to be employed in early modern times. Essentially they have made alcoholic beverages common and cheap and within the reach of every man, and they have increased the alcoholic content of what the average man drinks.

"Total abstinence as a rule for a religious group and as a proposal for social control of the problem had its rise in modern times among the Quakers. Methodists in England launched a vigorous campaign against distillers and the use of hard liquors, in the midst of the eighteenth century

industrial revolution, when the drink evil probably reached an all time low point in human history. It was then that the grog shop advertised enough grog to get drunk for a penny, dead drunk for two pennies, and straw for three pennies, and Hogarth made his famous paintings of drunken scenes. John Wesley prescribed total abstinence for his ministers.

“Quakers and Methodists were joined by most other religious groups in the modern temperance movement, which became in the 19th century, mostly a total abstinence movement. Many famous leaders in the Roman Catholic Church have been in the movement also, even though Catholic doctrine has not adopted the principle of total abstinence. **Le Cercle Lacordaire et Saint Joan D’Arc** is a total abstinence organization among French speaking Catholics which numbers more than a hundred thousand members in Canada, the United States, and France, and carries on a lively educational and spiritual counseling movement. Its objective includes both the redemption of alcoholics and the education of youth for total abstinence.

“It is not enough for people who believe in moderation as the moral solution of the alcohol question to quote Aristotle or the Bible and rest on tradition. Neither is it enough for the total abstainers, for that matter. There is a vast and tragic problem confronting the modern world. Any individual who takes up the use of alcohol confronts a serious personal hazard, but even if he is sure of himself he must think of the matter in terms of social responsibility if he accepts the role of a moral person. Just what is the situation and what would be required to make a modern society?

### **The Cult of Bacchus**

“In the reaction against prohibition of the last twenty years we have seen something like a revival of the ancient cult of Bacchus. The old saloon has been turned into a sanctuary of this cult with all the apparatus of the cultus: a high altar and mirrored reredos, white-robed priesthood and priestesses, and an elaborate ritual. Within the cult there is generated a sort of mystic love. One may question whether it is a devotion to the divine love of the New Testament called **agape**, or a revival of the worship of the pagan god **eros**. It is a seventh day cult, for the favorite time of assemblage is Saturday night. Without question it stands as a formidable rival to Christianity today, especially that part of the Christian Church which brings the ascetic disciplines of early Christianity into the modern world.

“This cult has a creed, also, but in this it stands in sharp contrast to the ancient cults of the wine god. In the pagan world the worship of Bacchus was frankly a creed of drunkenness. One did not get in touch with the god by moderation. This spirit became real with deep draughts of the spirits. The festival was a time when everybody got drunk. The pattern was that of the orgy.

“Today, the creed is moderation, which is not always clearly defined. One of the most common statements of the creed came in the form of a

question from a student in one of our informal college sessions. He said, "Professor, there isn't any harm in a beer or two, is there?" Like most of our creeds, it need not actually describe the way we perform. But this question may also be taken as a definition of strict moderation.

### **Qualifications**

"Perhaps one ought not to qualify a position taken in argument. At least, it does not often happen in one of these college sessions. But when one is thus confronted, he must think in terms of the question and the thought behind it. My friend is thinking of harm in terms of what happens to the body at the moment of the alcohol's effect, and he is thinking individually, rather than the long time implications of two-beer drinking in our society.

"It must be agreed that there is no definable harm to the body from drinking in moderation. One may go further, and concede that if all the drinking which people do never got beyond the two-beer stage there would be no alcohol problem. But these concessions can hardly settle the issue.

"There is another qualification which needs to be clearly understood and felt. It does not do much good to talk about it, for it appears in one's attitudes and tolerance of difference of opinion in the argument. There is a kind of self-righteousness or spiritual pride which easily develops among us when we put special emphasis on one problem like this and then take an absolutist position about it. It takes the form of "I don't drink, so I am a good man," although it never appears in such a frank statement. But it is the most subtle and deadly of the sins. A general indication of it is the common way of characterizing a good man as one who doesn't drink and doesn't smoke.

"At a session of the Yale Summer School of Alcohol Studies, Dr. Norman Jolliffe made a very thorough review of the diseases found in chronic alcoholism. The next session after the lecture was a discussion period and the first question asked was like this, "Dr. Jolliffe, you have given us a list of the diseases which are caused by drinking alcohol; do you know of any disease which is caused by not drinking alcohol?" "Yes," responded the doctor in a flash, "There is a disease known as the pressure of the halo."

### **A Moderate Society**

"Every sincere moderationist ought to face two questions very earnestly: first, the possibility of achieving the kind of society in which the use of alcoholic beverages may be kept in strict moderation; and second, a precise understanding of what the values are in moderate drinking and whether these might be secured in other ways with less hazard to our society.

"There have been moderate drinking social groups and perhaps there are still a few of them. But what is required to keep them moderate? At Yale University there has been a very thorough study of the New Haven Italian community carried on by competent investigators from the sociology

department. In the original immigrant group from Italy there is a closely knit community with a traditional pattern of drinking handed down from many generations. The community has stronger bonds for the very reason that it is transplanted to a foreign environment. Total abstinence from the use of alcohol is unknown among them, yet neither could these investigators find any signs of alcoholism. What few alcoholics there are, if any, are completely suppressed and hidden by the community. There are probably no acute alcoholics at all and the few chronic alcoholics manage to keep out of trouble or completely hidden.

"It is evident from this that powerful sanctions operate within the group to prevent excessive drinking. These sanctions are far more powerful than any which can be set up within a city or state in the form of laws and police action. The criterion of "too much" seems to be the loosened tongue. One must not drink to the point of talking freely, especially to strangers. Severe penalties enforce the point.

"A highly misleading report of this study has been widely circulated. It is said to demonstrate "that the prevalence of drinking, provided it is accepted by the group, makes for moderation rather than excess." No mention was made of the group sanctions or penalties which enforce sobriety. Acceptance by the group is not enough without them.

"Compare this with the typical drinking in the American community. The loosened tongue and other forms of impulsive behavior are deliberately sought and often given as the reason for drinking. Do you know anywhere that such group sanctions are enforced? Shall we ask it of the college community? I do not mean police action or the disciplinary measures of the college dean. I mean sanctions which belong in the feeling of the group itself. Actually, excess is very often rewarded. Johnny drunk is likely to be a more interesting and exciting person than Johnny sober. If Mary gets a few too many and puts on a good show, she will not be left out, unless she happens to come into public disgrace through the attention of the dean.

"With so many people using alcoholic beverages sincere moderationists ought to have every encouragement to keep drinkers moderate. The trouble with much of the moderation talk is that it is designed, not to create such sanctions against excess, but to enlist more drinkers and sell more beer and whiskey. And it is unusual to find among the advocates of moderation people with a deep social concern. Their position is usually highly individualistic. It is of the order, "Well, I have solved my problem for I have learned to be moderate."

"Where there is some indication of social concern it is likely to be a counsel in Utopia. A college professor asked me this question in a discussion period: "In the kingdom of heaven, for which we all pray, do you think alcohol will be abolished or be used in moderation as an adjunct to the good life?" Perhaps you would know that only a college professor could ask such a question. Utopian thinking should not govern a realistic confront-

ing of the situation we face today. The frustrations of human existence being what they are, and whiskey being what it is, a moderate society seems very remote."

### ABSTINENCE AS A WISER WAY\*

"Most people are likely to base their judgment of a thing like alcohol on what happens to them as individuals, without too much concern for others. Therefore the central question in the long run will probably not be what the results of drinking are in terms of social evils, unless those get so bad as to threaten the happiness of all. The central question will be whether the values to the individual in moderate drinking are really important. Life yields few enough pleasures that none should be given up without reason. Are they important enough to risk the hazards of intemperance? Are those hazards a real threat to everyone?

### Values in Moderate Drinking

"If moderation should be defined as two beers, or to be more technical about it, if it means that one should never have more than 0.05 percent of alcohol in the blood, then there is no great value which one gives up if he takes the total abstinence commitment. Such a ratio of alcohol, as we have seen, produces a momentary dizziness and then a mild euphoria or feeling of well-being. The properly educated person would know that it does not aid his performance in any activity demanding precision or skill. If alcoholic drinks were always taken in leisure moments and never in more than this amount, there would be no problem. But the values which people seek go far beyond this, even in the case of most of the social drinking. When one finds out what the bottle has in it to minister to the human spirit, he is not likely to stop at two beers. The real motives which sustain drinking are psychological needs which require larger doses. The extravagant praise for moderate effects of alcohol in the literature and advertising takes full advantage of the ambiguity in the word moderation. Usually it implies results far beyond two beers.

"The same college student who stated the moderation creed in his question, later in the conversation, said, "Professor, you ought to go out and get drunk just once to see what it is like." He was not talking about two beers and he had a mystic look in his eye which bore witness to effects far beyond the moderate stage.

"In the days of national prohibition one of the more vocal critics of the policy was Harry Elmer Barnes. He wrote the little book, **Prohibition vs. Civilization**. He regarded prohibition as an uncivilized way to meet the alcohol problem. But the basis of our trouble, he argued, is that drinking in American society is itself uncivilized. If we should teach civilized drinking habits to our people then we would not need such "uncivilized" social

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\*Albion Roy King, "Basic Information on Alcohol", pp. 139-143.

coercions as prohibition. He would have every person count his drinks and learn when he had reached his proper limit.

“At that time Mr. Heywood Broun was one of the most popular New York columnists and he commented on the opinions of Mr. Barnes to this effect: Isn’t this what you would expect from a college professor? He doesn’t understand human nature and he doesn’t know anything about whiskey. The virtue in a whiskey bottle is that you can get gloriously soused in it. And the right of man in a democracy is that he should be able to buy it any time he has the money and get drunk if he wants to. Mr. Broun was not for prohibition either. It is my opinion that Mr. Broun had a better grasp of the realities in the situation, even though his values might be out of line.

### **My Brother’s Keeper**

“At the dawn of human moral responsibility a man was murdered and the murderer said, “Am I my brother’s keeper?” And the Lord said, “The voice of your brother’s blood is crying to me from the ground.” Thus the principle of social responsibility was established and moral history has been the extension of the principle to more and more areas of social experience.

“Another one of those ancient moralists, St. Paul, said, “If meat causes my brother to stumble, then I will eat no meat.” He was not talking about alcohol, but about the carcasses of animals sacrificed to pagan gods which befuddled the choices of hungry Christians. I do not know anywhere in the modern world that meat is causing people to stumble around the streets, but alcohol does, and it, likewise, is a potion offered to pagan gods.

“A man of some distinction said to me once, “Is there anything that you could do for George? He is one of the best men in our business when he is on the job and we would like to save him, but every morning at seven o’clock someone has to go over to the shop to see if he is there and be ready to step into his job if he is not. We know that about every week or two he will suddenly disappear and not show up for several days. I have said to him, ‘If you will only let us know when you are going on a drunk we will make arrangements,’ but he never lets us know.”

“I knew the man well enough to say quite frankly, “One of the things you and your foremen could do is to quit drinking with George.” It was the practice of the boss to furnish the drinks on occasion for his men. He always took only one or two drinks and then quit. And he thought he was a good influence. “The only hope for an alcoholic like George is to get into a situation, with internal determination and external influences, where he will never touch a drop. I will tell you why he never lets you know when he is going on a drunk. He never intends to get drunk. I will guess that every time he takes a glass at a party he is saying (subconsciously, of course), ‘This time I am not going to get drunk. I will be like Mr. So-an-So. Just one

drink — oh yes, just one more!’ — and he won’t be back for a couple of days.”

“Although it may be a little hard to see and feel in a time of extreme individualism, every man in a very real sense is the keeper of his brother’s habits. True individualism in a moral and Christian society means individual responsibility. There are two angles to it: Personal influence and social sanctions. Legal coercions must play a minor role. They are a positive detriment whenever people take the attitude that we have a law and it will take care of that. Whenever anyone like George becomes a problem drinker there is no sort of coercions, or even social sanctions, which can help the situation much. His compulsion to drink will violate any law and even break away from social ties. But personal and spiritual influence is the chief hope for his redemption; this is the medium through which “the Power greater than ourselves” performs the work of grace.

### **Grace in the Crisis**

“The forty or fifty million total abstainers among the adults in our society can hardly be said to live a narrow and deprived existence. They are probably on the whole the happiest of the population. The final argument for the position is that they are in a stronger position to meet the crisis which is inevitable to the lot of man. If the whiskey bottle is handy when the crisis hits, a person is in a weaker position to stand in the face of it. What he needs then is not a bottle but a friend and a pathway to God. There are other ways in which the abstainer can crack up, to be sure, but he avoids one of the very common hazards. There are some drinkers who perform like alcoholics the first time they ever take a drink, but by far the greater percentage fulfill the crack-up-in-crisis pattern after a long history of social drinking.

“Here is the case story of a man who has now found some release from his sufferings through the program of AA, and like all that group, he will be anonymous. For twenty years he was successful in business. He and his wife owned a good home and were the parents of two fine boys. While hardly a man of distinction, he held several positions of trust in his church and in community activities. During this period he was a social drinker and believed that drinking and serving alcoholic beverages were helpful in his business.

“His oldest son graduated from the university in 1940 and joined the Air Corps. In November 1941, he was killed in a training flight. One month later came Pearl Harbor. My friend went to his place of business the following day and resigned his job and went from there to the recruiting office to offer his services to the country. This was his crisis, and he intended to make a heroic sacrifice like his oldest son. He was forty-five years of age. He passed the medical examination and was given the warrant of a sergeant and sent to an administrative post at one of the air bases. In six months he

was back home with a medical discharge which simply stated that he was unfit for service. But the story back of that remark is this: He was drunk every day of the six months he was at the base. Back home he was a helpless alcoholic. He made a start at several jobs, but could hold none. He hit the bottom and bounced about two years later. His younger son who had been drafted came home for a sudden furlough of a few days, but he could not find his father anywhere. He called on the police for help and three days later found him a hundred miles from home in a hotel room, completely drunk, the room littered with bottles. They sobered him up enough to put him on a bus, and he got home in time to spend about an hour with the boy before he had to leave for camp. Then he began to look for help.

“There are four good reasons, if they are true, which make a strong case for total abstinence from alcohol as an ethical principle. First, strict moderate drinking has no great value which makes a serious deprivation for the person who does not drink. And a corollary of this is the proposition that the basic motivations for which people acquire the habit tend to carry them beyond moderation into the areas of hazard. Second, while moderation is possible for many individuals who drink for minor and incidental reasons, the possibility of a moderate society seems as remote as a Utopian dream; it takes into consideration neither the nature of alcoholic motivations nor the conditions of modern life. Third, the principle of social responsibility requires that we assume a strenuous concern for the influence of our habits and it involves every person who spends his money for drink in the degradation caused by the liquor business and its institutions. Fourth, the non-drinker is in a stronger position to meet the crisis of human existence.

“It may be said, of course, that total abstinence is also a Utopian dream. It seems fairly remote in the modern world. Yet there is no small achievement for the temperance movement that about half of the adult population in the country do not use alcohol. The counsel of total abstinence does not begin with a Utopian dream and base its present moral judgment on that. It begins with a realistic appraisal of human nature, the scientific reports of the use and effects of alcohol, and the conditions of existence in the modern world.”



## WHAT THE STATE DOES ABOUT ALCOHOL—REGULATORY LAWS

Introduction — The License System — The Prohibition System—  
The Laissez Faire System — The Authority System — The Combination or Integrated System.

Alcoholic beverages were known and used many centuries before legal controls in the sense we know them in the modern world were brought into being. There are some eighty-odd nations in the world, and many of these are federal in organization, each comprising a number of semi-autonomous states. No one of these is without some measure of liquor regulation, yet no two systems are exactly alike in detail.

In general it may be said that each liquor control system in the world falls into one or another of five different types, each of which contains numerous variations within the general type. They may be outlined as follows:

- (1) The License System;
- (2) The Laissez Faire System;
- (3) The Prohibition System;
- (4) The Government Control or Monopoly or Authority System;
- (5) The Combination or Integrated System.

The chief characteristics of these types of regulations may be briefly stated as follows:

The License System is one of the earliest types of liquor control known to the Western world. It first concerned itself with the selection of licensees, then with the limitation of numbers of licensed outlets, later with the preferential treatment of low alcohol drinks and more recently with other restrictive devices such as fewer outlets, shorter hours and denial of use by the young, by those inclined to excess, and by irresponsibles.

The Laissez Faire System is one of minimum of interference with the manufacture, sale and consumption of liquor. This type is found only in the more undeveloped countries and in certain of the older European countries where consumption of low-alcohol beverages is a long established drinking custom generally characterized by moderate rather than excessive use.

Prohibition was apparently but little used in the ancient world and then only with indirect and ineffective methods. Prior to the Middle Ages it was extensively encouraged by religious bodies such as the Mohammedans. The result has been that the only large areas in the world today where prohibition sentiment is still strong is among those people whose religious background is one of temperance or prohibition or both. Today it is only in parts of the Far East, chiefly India and Pakistan, that prohibition sentiment is sufficiently strong for legal prohibitory laws to be in effect. No Canadian province now has prohibition, only two states in the United States, none that we know of in Australia or New Zealand, Europe or South America.

The Government Control System, sometimes spoken of as the monopoly system or the authority plan, is a relatively modern development. It first came to public attention in a large way in the later years of the 19th century in the Scandinavian countries, first in Sweden and later in the adjoining countries of Norway and Finland. Russia also, many years before the Communist Revolution, had experimented with this type of control. It is character-

ized chiefly by the elimination partially or completely of private profit from the liquor trade, by the substitution of government control, sometimes government operation, occasionally government ownership of retail outlets, generally the excess profits and sometimes the whole profits going to the state rather than to private interests. While Northern European countries initiated this type of control, certain features of it during the last three decades have been adopted and put into effect in all the Canadian provinces and in 17 states of the American Union.

The Integrated System is a term we have applied to the form of control now commonly used in many parts of the North American continent, because it includes features from each of the other four types of regulations. The Integrated System allows for a minimum of regulation or none at all, as in the case of 3.2% beer in some states of the American Union, and in some countries of Europe where beer of less than 2.8% alcohol is sold; it allows features of the license system so well known in England and now so largely used in practically every country of the world and which is a dominant feature of the system in 29 different states of the American Union. It allows some of the control features such as are now in effect in each of the ten provinces in Canada. It includes prohibitory features such as are made possible by local option and by other restrictive features, e.g. the denial of the sale to minors and to interdicts and the practiced prohibition of use by low-income groups resulting from high prices. It includes also features of the monopoly system of Northern Europe such as is found in the government sale of liquor by the package for home consumption in the Canadian provinces and in many of the states.

This chapter will deal with each of these types of approach to regulation and control. It will refer briefly to the earliest religious restraints and taboos and the earliest imperial decrees. It will then pass on to a more detailed consideration of:

- (1) The development and present status of the Licensing System as exemplified in the United Kingdom which, like Holland, is commonly regarded as having one of the best administered licensing systems in the world.
- (2) The Laissez Faire System as illustrated by a minimum of control in England in two periods of British history—the late years of the 18th century and the middle years of the 19th century.
- (3) The Prohibition System as tried out in different countries where it has since been superseded, but more particularly in India and Pakistan where it is still regarded by most people as the most desirable system of dealing with liquor.
- (4) The Government Control or Monopoly System as exemplified by the Scandinavian countries, Sweden, Norway, and Finland, and now copied in part by the Canadian provinces and certain American states.
- (5) The Integrated System as best exemplified by the Canadian provinces and 17 American states which includes some detail of almost every type of regulation that has at any time proven useful.

### **Early Religious Restraints and Taboos**

In the early history of mankind it is difficult to distinguish between laws and religious restraints and taboos. Only in highly developed civilization is

there ever the strictly legal concept with which this age is familiar. In more primitive societies social taboos, which often have more force than law itself, act to regulate conduct. Moreover, religion often has a like force and can even impose physical penalties, which make its edicts effective. Of the early Western civilizations, only Greece and Rome had a clear-cut body of civil law. In Christian Europe there was no separation of Church and State until long after the Middle Ages had ended.

The early regulations of whatever kind had two main concerns: (1) Keeping the peace, and (2) Assuring the customer fair quantity and quality and a reasonable price. The Code of Hammurabi contained, besides the regulation against sheltering the lawless, one respecting the measure and price at which beverages could be sold. In the Code of the Hittites, probably dating from 1400 B.C., there was a price-fixing statute. A Hebrew law, supposed to have been promulgated during the reign of Josiah (about 624 B.C.), was directed against drunkenness in sons (Deut. XXI, 18-21). It is noteworthy that this law was really directed against rebelliousness of sons, including drunkenness, and that it was enforced by haling the son before the elders.

Julius Caesar reports that the Nervii, a tribe living in what is now France, had forbidden the importation of wine because it would be harmful to mind and body. Such a prohibition in a primitive tribe would, however, be social rather than legal.

Roman civil law punished crimes committed by an intoxicated person less severely. This procedure established a precedent which has led to some dispute, for the practice since has varied from a similar leniency, through regarding intoxication as irrelevant, to the practice of increasing the penalty because a second offense (the intoxication) was involved.

Charlemagne exhorted his people, his soldiers, and his judges to practice sobriety, but there is no record of penalty attached to violation. On the other hand in England of the same period there is on record that the Church imposed penance on laymen for drunkenness, and the same offense among churchmen was considered even more reprehensible. This attitude was directed against excesses only, for all the monastic orders provided wine for their members. It is worth noting that some of the most famous beverages, e.g. Benedictine, Chartreuse, etc., take their names from monastic orders and monasteries.

## English Law System

The earliest English laws dealing with other problems than the moral one were those controlling price and quality of drink. There were laws of this sort in the 13th, 14th, and 15th century. In addition there were certain regulations which were aimed at protection of the English producers and the encouragement of English trade. Restrictive laws on public drinking places were then entirely local.

From this time on restrictive regulation begins to appear in all northern countries and to disappear from the Mediterranean world. It seems likely both that the northern climes encouraged drinking and the use of stronger liquor and that the southern peoples, having been civilized so much earlier,

had already established the sane drinking patterns which have tended to free them in some degree from the serious drinking problems of more northerly areas. Dr. E. M. Jellinek pointed out to the Commission that excessive drinking in Italy and in Spain may be unusual for the reason that in both countries the close knit family life provides assurance and security and nourishes the well-integrated personality, while the ready and free expression of emotions prevents the growth of neuroses.

The case of Scotland illustrates very well the then growing problem among Northern peoples. Although for many years life in Scotland was so unsettled and the population so small that the enforcement of domestic laws was almost impossible, two notable liquor statutes appeared in the 15th century. The first in the year 1424: "ordained that in all burghs, towns of the realm and throughfares where common passes are, that there be ordained hostelars and resettaris having stables and chambers to riders and gangers, and that men find with them bread and ale and all other food, as well to horse as men for reasonable price." (Wilson, p. 116.)

In 1436 the law provided that "no man in burgh be founden in taverns at wine, ale or beer, after stroke of nine hours and that the bell shall be rungen in the said burgh." These two regulations cover the protection of the customer and the keeping of the peace, the two first matters that regulation dealt with.

The first Irish control act comes much later, in the reign of Charles I, but it has the two same concerns, as shown in the preamble which states:

For as much as it is found by daily experience that many mischiefs and inconveniences do arise from the excessive number of alehouses, from the erection of them in woods, bogs, and other unfit places, and many of them not in townships but dispersedly, and in dangerous places, and kept by unknown persons not undertaken for, whereby many times they become receptacles for rebels and other malefactors, and harbours for gamesters and other idle, disorder and unprofitable livers, and that those that keep those alehouses for the most part are not fitted or furnished to lodge or entertain travellers in any decent manner; for the redress of these inconveniences and to reduce those needless multitudes of alehouses to a fewer number, to more fit places, and to more convenient places. . . . The law provided that places be licensed by commissions chosen among the justices of the place, with other persons selected by the Lord Deputy. (Wilson, p. 122.)

England had dealt with keeping of the peace as early as 1494, when in the course of a law dealing with vagabonds, idle and suspected persons, it was stated that:

It shall be lawful for two of the justices of the peace whereof shall be of the quorum within their authority to reject and put away common ale selling in town and places where they shall find convenient and to take surety of the keepers of ale-houses on their good behaving by the discretion of said justices.

Throughout the next century the English licensing system gave justices absolute discretionary power and this remained the English system until the Licensing Act, 1904. A Privy Council letter by King James I in 1604 sets forth the nature of the control:

By the law and statutes of this our Realm, the keeping of ale-houses and victualling houses is none of those trades which it is free and lawful for any subject to set up and exercise but inhibited to all save such as are thereto licensed.

Originally England had licensed the "victualler" and early regulations were contained in the Assize of Bread and Ale. There was every intention in the law that food and drink should be inseparable. Lax enforcement allowed a change that was profitable to many vendors, and straight "dram-houses" were licensed. The so-called Tippling Acts of James I and Charles I were directed at correction of this abuse, but they failed of their purpose because the straight liquor vendor was so firmly entrenched.

From this time on distilled drinks increased in popularity in England, these at first being mostly imports such as Jamaica rum. In an effort to encourage home industry and to aid English agriculture the government in 1689 absolutely prohibited the importation of spirits from all foreign countries and granted the right to any person to set up a distillery on giving ten days' notice to the excise and paying a small fee. The result was an increase in the production of spirits from 527,000 gallons in 1684 to the incredible amount of 4,947,000 gallons in 1734!

Conditions became so dreadful that Parliament adopted the Gin Act in 1736. This was so restrictive to sale and made license so costly that it was virtually prohibitive. Indignation against it was so violent that riots and insurrection broke out. It was flagrantly violated by distillers, who bought wine licenses and sold gin by other names. In 1743 the measure had to be repealed, and it stands to this day as a memorial to the futility of restrictive legislation which has not secured broad public support. Future efforts at control were less rigid, concentrating principally on license, which was made renewable annually.

In 1830 the Beer Act was passed in an effort to encourage the drinking of a milder beverage and the end of the tied house system. It did neither; it merely increased the sale of beer. This it was very successful in achieving since any householder could retail malt liquor on the payment of two guineas tax. It is said that one brewer's agent was able to open two hundred houses in three years. The act was somewhat modified later, but it was not until 1869 that beer licenses were again brought under the justices.

The turn of the nineteenth century and the beginning of the twentieth saw great improvement in the drink situation due to the extensive work of temperance organizations and to the improved living conditions of the working classes. With the outbreak of the First World War drinking once again got out of hand and proved a serious threat to the war effort. Immediately a series of restrictions on hours was passed, reducing them finally from 19 to 9. While the establishment of workers' canteens and patriotic appeals may also have been effective factors, there is no doubt that the permitted hours plan was the most important factor in arresting what had become a serious threat to all war effort.

Since that time every effort has been made to hold the permitted hours as a successful restraint on drinking. Some concessions have been made to social pressure, but in general English pubs close in the afternoon for some time, and this closing is said to have had a salutary effect. Furthermore, the serving of food has been encouraged in various ways, including a graduated

license fee. Every effort is also made to prevent any licensing in the extensive new housing developments going up since the Second World War.

While England is not without a drink problem, her record is noteworthy among the countries of Northern Europe. As had been noted by the Royal Commission on Licensing and the authoritative study "Drink" by Hermann Levy, the economist, while this is in the main due to improved living conditions and new types of recreation for the working classes, there can be no doubt that the English pub system has been an effective factor in discouraging excess.

### The License System in England<sup>1</sup>

England has what we believe to be the most successful license system. Although this system has never been displaced by prohibition or, except for the Carlisle plan, by any scheme of government ownership, and although the country has never even experimented with local option, the record for improvement in temperance in England is exceeded by no country except Denmark. Since 1913 consumption of spirits has decreased 60 per cent and beer consumption 41 per cent, while convictions for drunkenness have fallen 74 per cent during the same period. Though undoubtedly influenced by the economic depression and by regulations imposed in connection with the dole, this achievement is attributed in part to the policy of reduction in the number of licensed premises, to high excise duties and to reduction in the hours of sale at public houses and at other places where liquor is available for consumption on the premises.<sup>2</sup> The adult education movement in England and the increased interest in sports share, according to many observers, the credit for this remarkable reduction in the consumption of alcohol.

The trend in England is toward the improvement and strengthening of the license system. In 1931 a Royal Commission on Licensing proposed an even more rapid reduction of licenses than that which had been effected to date. Other recommendations of this Commission included: a policy of public house improvement; the creation of special hotel and restaurant licenses to which certain privileges would be attached; and more effective control over the supply of intoxicating liquor in clubs. Perhaps the most significant recommendation in the report looked toward the creation of a National Licensing Commission, as a supplement to the local licensing bodies.

### American vs. English Experience

The licensing system has a good name in England, but in most sections of this country prior to 1920 it had a bad name. Before national prohibition, the saloon achieved an evil notoriety. Politicians were often bought by the liquor interests; vice and gambling came to be regarded as normal accompaniments of the liquor trade; and the abuse of drink, fostered by the drive of

1. Fosdick and Scott—*Toward Liquor Control*—pp. 36-52.

2. Under the English system liquor licenses are issued locally by a justice of the peace, who generally serves without compensation. As a means of tax administration an excise license, issued by the Treasury, is also required. The jurisdiction of the local justices is limited to the country, city or borough for which they are appointed.

Justices' licenses are required for all premises where intoxicating liquor is sold, except retail establishments which sell spirits and wine for consumption off the premises, theaters, a few premises known as the "Ancient Vintners Company" and registered clubs.

Licenses are usually granted for a year, but the justices have discretion to extend the period to a maximum of seven years. The justices also have considerable discretion in the awarding of licenses. They pass on the suitability of the applicant and are obliged to consider objections raised against the granting of a particular license. They must also approve the structural condition of the premises to be licensed.

One outstanding feature of the English system of liquor control is its strict limitation of the hours of sale, a measure adopted during the war under the Defence of the Realm Act. In London, for example, sales are limited to a maximum of nine hours between 11 a.m. and 11 p.m. with a compulsory break of at least two hours in the early afternoon. The licensing justices have the power further to restrict these hours. On Sundays and certain holidays the period of sale is limited to five hours.

profits, produced its share of poverty and misery. All these evils were bred under the licensing system, and it was the complete breakdown of this system that gave momentum to the national prohibition movement.

Are these abuses inevitable incidents of any licensing regime or can a system be worked out which affords reasonable hope of repeating the successful English experience? We must remember, of course, that English social and governmental conditions are by no means similar to our own and that a system that works in one country cannot necessarily be made to work in another. For instance, the high character of the justices of the peace in England, by whom liquor licenses are issued, furnishes a guarantee of continuity of policy and disinterested supervision which cannot easily find a parallel in this country. The English public house is not in local politics, for the reason that nothing could conceivably be gained by such intrusion. The justice of the peace is appointed for life by the Lord Chancellor of the Kingdom and he cannot be "reached" or influenced by threat of defeat at election time.

Again, England has a tradition of public order and respect for law that is sadly lacking in this country. The bootlegger and the gangster are not known there, and the speakeasy has not developed. The British are inclined to accept with good-humored tolerance the increasingly rigid restrictions of the licensing system. Certainly there are no organized attempts to defeat it. With such a background of social habit, a particular system of control might easily succeed in England whereas with us it might soon be undermined.

The fact remains, however, that in America no state legislature has taken full advantage of the possibilities of the license method as an instrument of liquor control. The licensing systems of pre-prohibition days did not deserve the name of system. Ordinarily system was wholly lacking. The law was a hodge-podge of enactment and amendment. It was not the expression of a carefully thought-out plan for social control of the liquor problem, but was usually an ill-considered patchwork resulting from the conflict of interest between liquor dealers and reformers. Seldom was any attempt made to discriminate between the handling of beer and of hard liquor. License administration was frequently in the hands of those who had a personal interest in making control ineffectual.

## **Suggested Methods of License**

Our investigations have convinced us that these weaknesses cannot easily be eradicated from the operation of the license system in America, and, for reasons which we shall later discuss, we recommend the frank abandonment of further legislative tinkering with licenses and the acceptance of an altogether different method of control. At the same time, some states will doubtless be tempted to follow beaten paths and adhere to the old rules. Therefore, our task in preparing this report would be incompletely performed if we failed to present an outline of what we consider the soundest possible licensing system, if such a system must be adopted.

First: The outstanding prerequisite of a licensing system is the creation of a single state licensing board, with state-wide authority and responsibility, appointed by the governor and working through a well-paid, full-time managing director. The administrative personnel of the board should be appointed on a merit basis, free from politics and with a permanent tenure. The board should have an appropriation commensurate with its responsibilities.

Second: The intelligence, character and integrity of the members of this board are considerations of the first importance. Unless these qualities are conspicuously present, the licensing system will be defeated before it starts. The members should be given long terms of office and should be eligible for reappointment. Their security of tenure will help to make them independent of political pressure. Salaries should be substantial, to attract the best brains

obtainable. Under no circumstances should appointments to the board be made on the basis of partisan political considerations. Nor should resort be had to a bipartisan board in the mistaken belief that this device eliminates politics. In practice, it turns public departments over to the keeping of both parties.

Third: The "tied house," and every device calculated to place the retail establishment under obligation to a particular distiller or brewer, should be prevented by all available means. "Tied houses," that is, establishments under contract to sell exclusively the product of one manufacturer, were, in many cases, responsible for the bad name of the saloon. The "tied house" system had all the vices of absentee ownership. The manufacturer knew nothing and cared nothing about the community. All he wanted was increased sales. He saw none of the abuses, and as a non-resident he was beyond local social influence. The "tied house" system also involved a multiplicity of outlets, because each manufacturer had to have a sales agency in a given locality.

There are many devices used by brewers and distillers to achieve this same end, such as the furnishing of bars, electric signs, refrigerating equipment, the extension of credit, the payment of rebates, the furnishing of warranty bonds when required to guarantee the fulfillment of license conditions and of bail bonds when the dealer is haled into court. A license law should endeavor to prohibit all such relations between the manufacturer and the retailer, difficult though this may be.

Fourth: Suitable restrictions should be established by the license law or by administrative regulation with respect to the number and character of places where liquor may be sold. This is regarded as of the highest significance in England, where great effort is being made to reduce the number of licenses from year to year and to improve the appearance and character of licensed places. The number of licenses may be limited on a population basis as is done in Massachusetts and Rhode Island under the new law.<sup>1</sup>

Closely related to the limitation of the number of licenses is the restriction of the location and character of places where liquor may be sold. In the past, saloons were prohibited in some states within a specified distance of schools and churches. While location must be subject to control, we believe the restriction should be an administrative measure rather than a legislative enactment. This will enable the state licensing authority to grant or refuse licenses, on a rational basis after consulting neighborhood and community desires, and after considering the requirements of local zoning laws. While the license law should also prohibit screens, upstairs rooms and back rooms, and the presence of gambling and slot machines, and should establish general regulations with regard to lavatories, et cetera, the licensing authority should be given wide power to expand and enforce such legal provisions through appropriate rules and regulations.<sup>2</sup>

Fifth: Licenses should be classified to recognize the inherent differences between beer, wine and spirits as problems of control. One of the most satisfactory license classifications in this country before prohibition was in Massachusetts where seven kinds of licenses were provided.<sup>3</sup>

1. Massachusetts (beer law) Laws 1933, Chapter 120, Section 6; Rhode Island, Laws of 1933, Chapter 2013, Section 16.

2. The use of screens is prohibited in the new laws of the following states: Connecticut (taverns only) (Laws 1933, Chapter 140, Section 25), Missouri (beer law) (Laws 1933, Page 85, Section 10), New Jersey (beer law) (Laws 1933, Chapter 85, Section 3) and Rhode Island (Laws 1933, Chapter 2013, Section 27).

3. Massachusetts Revised Laws, 1902—Ch. 100, Sec. 18.

First Class—To sell liquor of any kind to be drunk on the premises.

Second Class—To sell malt liquors, cider, and light wines containing not more than fifteen per cent of alcohol, to be drunk on the premises.

Third Class—To sell malt liquors and cider, to be drunk on the premises.

Fourth Class—To sell liquors of any kind, not to be drunk on the premises.

Fifth Class—To sell malt liquors, cider and light wines containing not more than fifteen per cent of alcohol not to be drunk on the premises.

Sixth Class—Licenses to retail druggists and apothecaries to sell liquors of any kind for medicinal, mechanical or chemical purposes only, and to such persons only as may certify in writing for what use they want them.

Seventh Class—Licenses to dealers in paints or in chemicals to sell alcohol for mechanical, manufacturing or chemical purposes only.



Somewhat on the lines of this precedent a classification like the following might be desirable:

- A. For Off-Premises Consumption—
  - Class I Beer to 3.2 per cent.<sup>1</sup>
  - Class II Natural wines up to 10 to 12 per cent.
  - Class III Spirits and all other alcoholic beverages.
  - Class IV Medicinal beverages and tonics, containing spirits.
  - Class V Undenatured, industrial alcohol.
- B. For On-Premises Consumption—
  - Class VI Beer at 3.2 per cent.
  - Class VII Natural wines up to 10 or 12 per cent.
  - Class VIII Spirits and all other alcoholic beverages.
- C. For Manufacture and Processing—<sup>2</sup>
  - Divided as under A
- D. For Commercial Transportation—<sup>2</sup>
  - Divided as under A, but distinguishing between shipments within the state and across state lines.

In many, if not most of the states, not all of these licenses will be either necessary or desirable, particularly classes VII and VIII. In any case the conditions attaching to each of these classes should, for reasons stated in Chapter II, follow different principles. For example, in our judgment beer to 3.2 per cent (Classes I and VI) should be subject to little restriction. The heavier beers and wines should be purchasable by the package for home consumption (Class II), but for on-premises consumption by the glass, only with meals (Class VII). We think it undesirable to combine Classes VI and VIII. Most of the restrictions with regard to back rooms, screens, etc., apply only to Classes VII and VIII.

It is perhaps unnecessary to point out that any state admitting VIII is running the gravest kind of risk. It is through the open door of these two classes that the saloon will endeavor to find its way back into our social life. The sale of higher alcoholic beverages for on-premises consumption threatens the return of evils which in the past have defied control, and only the affirmative pressure of public opinion in a given state or community could possibly justify the admission of this type of license.

Sixth: The hours of sale of liquor, particularly for on-premises consumption (Classes VI, VII and VIII), should be carefully regulated. The English plan of stopping such sale and closing places of sale for two hours during the afternoon appeals to us as desirable. A closed period in the afternoon is of no inconvenience to normal consumption, but is extremely useful in preventing "soaking" and the excessive use of alcohol. The hours for Sundays, holidays, etc., will require still further restrictions. It must be remembered, however, that a too stringent limitation of hours will play into the hands of the bootleggers. This is to be avoided, particularly in the immediate future, while the organized bootlegging system is being stamped out.

Seventh: Licenses issued for the retail sale of liquor should run not only to the person who sells, but to the premises where the liquor is sold. Revocation of a premises license is a far more effective weapon of control than is the revocation of an individual license.

Eighth: The license law should prohibit, as far as possible, all sales practices which encourage consumption. This would include treating on the house, sales on credit or IOU's, bargain days, and reduced prices previous to elections.

1. Though this chapter does not deal with light beer and wine, they are included in this classification in order to make it all-inclusive.

2. The state regulations should be prepared in co-operation with the federal government and supplemented by federal regulations.

Rules are also necessary forbidding sale to minors, habitual alcoholics, paupers, mental defectives and to anyone who is drunk.<sup>1</sup>

Ninth: Advertising should, where possible, be rigidly restricted or forbidden. Six states have already passed such laws.<sup>2</sup>

The problem cannot be solved entirely by legislation, since subtle and inferential advertising may meet the letter but not the spirit of the law. The radio and nationally circulated publications are also beyond complete state control. None the less, each state should outline its liquor advertising code. These codes should be as nearly uniform as possible so that advertisers may readily conform.

Tenth: In addition to the foregoing possibilities, an effort may be made under the licensing system to control prices and profits. For example, the licensing authority could be authorized to establish minimum and maximum prices for the sale of liquor, to require uniform systems of accounts to be kept by liquor dealers, and to capture as an excise all profits in excess of a specified rate or a percentage of all profits.

### DEFECTS OF THE LICENSING SYSTEM<sup>3</sup>

In the foregoing pages we have endeavored to present the most promising principles and devices appropriate to the license system of liquor control. While many of these suggestions may seem chimerical, and difficult of enforcement, it must be remembered that the licensed dealers may perhaps be inclined to assist in enforcing the law against illegal practices and illicit trade competition. National prohibition has been a hard school. The example of government sales agencies successfully operating in the Canadian provinces, and possibly in the future in some of our states, will be a constant threat of what may happen if the old abuses return. It is not entirely inconceivable, therefore, that a chastened liquor trade, operating under a sound licensing system, may come to see that restraint and honest co-operation with license control is the policy dictated by a truly enlightened self-interest. However, over against this promising new factor must be set the irresponsible codes of lawlessness of the bootleggers, many of whom will now be licensed. It is difficult to estimate in advance the comparative influence of these conflicting forces.

A liquor licensing plan which might include all the desirable features outlined above must still be regarded as defective in four important and, we believe, vital respects. Its primary weakness consists in the preservation of the private profit motive, which would be threaded through the entire business and manufacture to ultimate local sale. Students of liquor systems and proponents of plans have differed widely in their analyses and in their recommendations, but there is general agreement that the elimination of the profit motive, if it can be accomplished, is, for America at least, the most promising road to successful control. A greedy liquor traffic looking only for larger profits will circumvent and evade any system of license defences which ingenuity can erect. Even if through legislation, an arrangement could be contrived, as we have suggested above, by which prices are fixed and profits are limited, it would encounter the inescapable hazards of corruption and run the serious risk of bogging down in the minute details of regulation.

1. These provisions are generally included in legislative proposals and in some instances, as in Connecticut (Laws 1933, Chapter 140, Sections 56 and 57) and Rhode Island (Laws 1933, Chapter 2013, Section 70), an order of interdiction is prescribed for persons receiving town aid and for those whose relatives have filed complaint. In Connecticut, not only is the sale of alcoholic beverages prohibited to minors (Section 59), but a penalty is also provided for inducing minors to procure liquor (Section 60).

2. Delaware (Laws 1933, House Bill 312, Section 9), Iowa (beer law) (Laws 1933, Chapter 37, Section 34), and Ohio (beer law) (Laws 1933, Senate Bill 346, Section 4) provide that all advertising (all outdoor advertising in Iowa) shall be under the supervision of the liquor commissions, while Oklahoma (beer laws) Laws 1933, (Chapter 153, Section 2) and Wyoming (beer law) (Laws 1933, Chapter 92, Section 6) provide that there shall be no advertising by any person dealing in alcoholic beverages.

3. Fosdick and Scott—*Toward Liquor Control*—pp. 55-62.

In the second place, any licensing system tends to project the whole question into politics and to keep it there. Indeed, it compels the traffic to be in politics for self-protection. The licensing body becomes a powerful political engine. Every licensee, as well as every manufacturer who sells to a licensee or has any interest in the business, begins to marshal his own political strength to serve his own ends. A multitude of private traders means a multitude of opportunities for political favoritism. Even if the initial results were fairly satisfactory under severely restrictive licensing arrangements, the test would come later as vendors learned the ropes. Then would appear the annual flood of bills in the legislature proposing amendments designed to relax the license system's stranglehold on licensees. The advocates of restriction would counter with their lobbies and the whole miserable conflict would again be upon us.

In the third place, a system of licenses to private traders is, theoretically at least, incompatible with any idea of temperance education. While individual vendors of the better class may from motives of self-interest and conscience join with temperance forces in curbing individual abuse, this is as far as they will go. They will not welcome a general falling off in consumption. If we assume, first, that it is of prime importance to avoid stimulation of demand for alcoholic beverages and, second, that private traders will in fact endeavor to stimulate demand, then we are faced with a contradiction which plainly cannot be reconciled within a single system of control.

There is no reliable method of forecasting what will be the normal per capita consumption of alcoholic beverages with the repeal of the Eighteenth Amendment. But we are confident that the rate of consumption is a modifiable phenomenon, and that a sustained program of education would result in a substantial reduction of consumption below the level that would be reached if temperance education were ineffectively promoted. Whatever method of control is adopted, it is inescapably clear that its degree of success will depend in no small measure upon the kind of opposition raised against it. And this opposition will surely come in subtle as well as open form from those business interests which would suffer most from curtailment of trade. To promote temperance education and at the same time to tolerate a system of sale pulling in the opposite direction is scarcely an intelligent method of approach.

In the fourth place, to adopt the license method is to follow the easy path, but it is a path which affords no sure retreat if the system proves unsatisfactory. For the establishment of a licensed liquor trade means the deep intrenchment of a far-flung proprietary interest. This interest would have a large capital investment to be protected at all costs. Buildings, leases, fixtures, inventories, stocks and bonds—representing millions of dollars—would require defense against those who in the public interest might threaten curb or reduction. The question of property rights would at once be involved, and the states adopting the license system would be faced, as England is faced today, with a widespread disinclination seriously to disturb a business into which so much money had been put.

Moreover, such a vested interest is bound to employ aggressive tactics in its own defense. Liquor trade associations, open and disguised, would continuously oppose every restriction of opportunities to sell. Manufacturers, wholesalers and retailers, through their respective associations, would unite in resisting disestablishment of retail selling outlets whenever attempts were made to eliminate a portion of them either by local option votes or by reduction of the total number of licensed places.

In this respect the experience of England is illuminating. The Royal Commission on Licensing (England and Wales) in 1931 pointed out that when the Act aiming at reduction of liquor licenses was passed in 1904, it was estimated by supporters of the bill that possibly 48,000 of the 99,478 licenses

in existence would be suppressed in 20 years. Although generous provisions were made for compensation of owners, the net decrease in twenty-six years was only 22,143.<sup>1</sup> The comment of the Royal Commission is pertinent: "The Trade has now developed an elaborate defensive organization. The broad basis of criticism against this organization is that its policy is dominated by one object—to sustain the sectional interest of the trade to the exclusion of all other interests, national or otherwise. This characteristic is specially condemned as antisocial in the case of a trade whose wares are represented as potentially dangerous to public welfare."<sup>2</sup>

Under the license system, the will to survive permeates every department of the trade, and the means to press a tenacious fight for survival are abundant. As proposals to dismember any part of the liquor selling business become more threatening, the entire trade combines more solidly to protect itself. In brief, a licensed liquor trade, once established, cannot easily be dislodged.

With the passing of the Eighteenth Amendment, the American states are free to make a fresh start. Only the public welfare needs to be considered. There are no property interests that have to be defended, no investments demanding protection, nor organized retail trade associations to fight. For a state, deliberately to tie its own hands by establishing an intrenched business that will seek its own protection to thwart every limitation and block every change, would seem to be the height of folly.

\* \* \* \* \*

Perhaps by a herculean effort we could temporarily hold in check the instinct of business to increase its profits, but we would be gratuitously assuming a task that in the long run promises nothing but disappointment and defeat. The profit motive is the core of the problem. Unless that motive is divorced from the retail sale of spirituous liquor, unless society as a whole can take over this business in the protection of its citizens, the future, at least in America, holds out only the prospect of an endless guerilla warfare between a nation fighting for temperance and a traffic that thrives on excess.

### PROHIBITION IN THE UNITED STATES<sup>3</sup>

It will be noticed that prohibition itself is by no means a new idea. Many states experimented with it before 1920. Between 1846 and 1855, thirteen states—more than one-third of those that then existed—adopted it in one form or another, including New York, Illinois, Massachusetts and Rhode Island. Its fortunes varied from a trial of one year in New York and two years in Illinois, Delaware and Iowa to forty-eight years in New Hampshire, fifty in Vermont and seventy in Maine, in the last state with a two-year break. By 1863 the thirteen prohibition states had shrunk to six, and, of these six, five recanted later.

A second wave of state-wide prohibition, which began during the 1880's, represented, in part at least, the return to dry status of those states in which this experiment had previously been tried and discarded. Altogether eight states were enrolled under the prohibition flag during this period, of which five later withdrew. By 1904 only three remained.

A third wave, essentially Southern and Western, developed at the end of the first decade of the Twentieth Century. When we entered the war in 1917, 25 states had prohibition laws, and the foundations of the Eighteenth Amendment had been definitely laid. By 1919, prior to the adoption of the

1. Report of the Royal Commission on Licensing England and Wales 1929-31, p. 25.

2. Ibid. pp. 75-76. The Commission observes that "we have some sympathy for this general angle of view, even though we think that the position has to some extent been thrust upon the liquor trade."

3. Fosdick and Scott—*Toward Liquor Control*—pp. 2-4.

Amendment, the number had risen to 33. In this list were three states in which prohibition had been in continuous operation for years, and six others which had experimented with this type of control on earlier occasions.<sup>1</sup>

## PASSAGE OF THE EIGHTEENTH AMENDMENT<sup>2</sup>

In viewing the rise of national legislation to control alcoholic beverages, it must be remembered that such a development was in no way unique during the first two decades of the twentieth century. Rather was the opposite the case. This was the era of the trust-busters and the muck-rakers. This was the period of legislation for reform in the field of conservation of natural resources and in the field of human rights, especially of children and of labor. This was the 20-year period which saw legislation such as the Pure Food Law, the Clayton Act, the Inter-State Commerce Act, the establishment of the Federal Trade Commission, the passage of an amendment allowing a federal income tax, the adoption of provisions of initiative, referendum and recall, and the many other laws in the area-labeled social progress and reform.

Some of the social reforms incorporated into law during this period were relatively new, especially insofar as legislation was concerned. The concept of prohibition of the alcoholic-beverage industry by legislative action was not new. It had been publicized for half a century and adopted in many sections of the country. Local option conditions, however, and even state-wide prohibition, were unsatisfactory to the temperance forces, who saw that any who wanted liquor could get it. The leaders of the organized prohibition movement believed that the abolition of alcoholic beverages could be achieved only by incorporating the prohibition philosophy into the basic law of the land. They recognized the difficulties involved to bring about a constitutional amendment but they were confident that the long-term results would justify the effort.

The issue of prohibiting alcoholic beverages involved a series of complex social problems. It appears certain that for many thousands of persons the logical merits of the specific issue were secondary to such matters as their affiliation with a particular economic or religious or other group, or secondary to their feeling that something, unspecified, should be done. This is true of political action on many issues; it is mentioned here because of the long drawn-out controversy on both the passage and repeal of National Prohibition in which the opponents regularly argued about the ideas of the mass of the public, intimating or stating that the mass acted with clear-cut conceptions about the logical merits of either program. In retrospect it seems clear that the great majority of the public was neither "wet" nor "dry" despite the claims of the leaders of various groups. If anything, the great majority would seem to have been dissatisfied with the situation concerning the distribution and use of alcoholic beverages before, during and after Prohibition.

Prior to the first World War, however, there had developed an organized logic and a varying scale of individual attitudes in support of some form of prohibition. The active majority of temperance advocates joined in supporting the movement for a prohibition amendment. There were some temperance advocates who still favored moral suasion over legislative action, but they had little organized power. There were many persons, not associated with the temperance movement, who were sympathetic toward a program which held out the promise of eliminating the social and individual distress resulting from excessive drinking, although some of these were opposed to placing sumptuary law in the Constitution; this category, however, was unorganized

1. The thirty-three prohibition states in 1919 prior to the adoption of the Amendment, comprised approximately 80 per cent of the area of the United States and 52 per cent of the population. If dry local option areas in non-prohibition states are included, the total dry area at this time comprised 95 per cent of the country and involved 68 per cent of the population.

2. McCarthy and Douglass—*Alcohol and Social Responsibilities*—pp. 33-38.

and had no positive program to offer as an alternative. No organized group equipped with a systematic logic was present to lead an opposition, with the possible exception of components of the alcoholic beverage industry. Not only were they in a poor position to lead any national movement but they were split among themselves and lacking in any positive program for meeting the undeniable problems associated with drinking and with the business.

As early as 1876 a bill was introduced in Congress which proposed to prohibit—beginning in the next century—the manufacture and sale of distilled intoxicating liquors. Similar bills were introduced in many subsequent years in the Senate and House. The result of joint action by committees of the Anti-Saloon League and the Women's Christian Temperance Union was the Hobson Joint Resolution, calling for a constitutional prohibition amendment, which was introduced in the House of Representatives and rejected in December 1915. In December 1917 it was passed by the House and the Senate. The Eighteenth Amendment to the Constitution was ratified by thirty-six legislatures by January 16, 1919 and became effective one year later.

The theory of nationwide prohibition was not without precedent in other countries. Russia, during the war period of 1916-17, eliminated the sale of beverages containing more than one and one-half per cent alcohol. Finland after gaining independence from Russia continued the prohibition law until 1918. In Iceland as early as 1908, a plebiscite approved prohibition, which became effective in January 1915. It was repealed after seven years.

### **Administration of the Eighteenth Amendment**

Establishment of nationwide Prohibition in the United States, a country with a heterogeneous population of 120,000,000, an extensive land area and coastline, and a federal system of forty-eight state governments, presented problems radically different from those of smaller centralized countries. While it is customary to think of the United States as comprising a common people under a united government, it must not be overlooked that there are sharp differences between our rural and our highly industrialized urban areas, sectional divisions with distinct economic and political characteristics, and wide variations in the social and religious attitudes which predominate in different regions and among different groups. As an administrative problem the enforcement of the Prohibition Amendment turned out to be an undertaking of stupendous magnitude, never successfully carried out.

Machinery for administering and enforcing the Eighteenth Amendment was provided by the Volstead Act, passed by Congress over President Wilson's veto in October 1919. This was the Act which defined an intoxicating beverage, prohibited under the Eighteenth Amendment, as one that contained one-half of one per cent (or more) alcohol. The Volstead Act was necessarily an involved piece of legislation. It contained more than sixty provisions, some of which ultimately required construal by the court. Successive Prohibition Administrators urged Congress to make various changes but no action was taken before 1929. By that time the forces seeking to discredit prohibition were well organized, public sentiment had apparently undergone considerable change, and there was widespread criticism of any effort at enforcement.

Proponents of National Prohibition have leveled many criticisms at the administration of the law, implying that were it not for the administrative shortcomings this type of attempt to control the problems of intemperance would have been effective. Many of the criticisms are undoubtedly justified, although the implication drawn is open to serious question. Among these administrative or executive blunders were the following: (1) the function of enforcing the law was placed in the Treasury Department rather than in the Justice Department. (2) To allow production of alcohol for scientific, industrial, medicinal and sacramental purposes, a most complicated license and

permit system was developed, a system almost incapable of adequate supervision. (3) At no time during Prohibition was there adequate personnel for enforcement of the law. (4) The personnel was not subject to Civil Service until 1927 and was never paid on a basis sufficient to attract effective or, often, honest workers.

There was practically no precedent on which the government could base a comprehensive program of enforcement of the Volstead Act. Moreover, the situation throughout the country was anything but static. As the supplies of legal liquor existing in 1920 dried up, an increasing flow of illicit liquor began to take its place and changes in enforcement displayed by many state and local officials as well as large sections of the public began to render the law ineffective.

The smuggling of liquors into the country and the resulting spectacular clashes between Prohibition agents and lawbreakers made lurid headlines and news stories. But a more important source of illegal alcohol existed within the country. In spite of an elaborate permit system, illegal liquor moved from bonded warehouses to bootleggers. Supplies of alcohol released for industrial purposes found their way to unlicensed warehouses and were converted into varieties of gin and whisky. Many denaturing plants were established to meet a demand for commercial alcohol—a demand which had increased vastly during Prohibition. Unlicensed distilleries were numerous. Apparently there was no lack of consumers for the illegal beverages.

The purchase and use of intoxicating beverages was not forbidden under the law. Theoretically, possession for other than personal and family use constituted a violation. Practically, possession without evidence of offering for sale could rarely be prosecuted successfully. The courts were naturally reluctant to issue warrants for the search of private premises without evidence of sales. A still could long be operated with impunity or a building be used for the storage of illegal liquor, by installing a family in the premises and thus giving it the color of a domicile immune to search. In other situations it was necessary for agents to pose as purchasers and drink with customers to secure evidence. Such tactics, sometimes on the part of drunken agents, were challenged by foes of Prohibition as violating American traditions of fair play.

Ardent prohibitionists insisted that the major weakness of the Volstead Act resided in its failure to make the purchaser as well as the vendor of illegal liquor guilty of crime. There is serious doubt that a law could have been passed which incorporated such a provision. It is obvious however, that the enforcement of Prohibition was handicapped in a situation in which one party to a transaction was a criminal and the other party—without whom the transaction could not have been consummated—was blameless.

Many explanations have been made of the failure of Prohibition, including inadequate laws, inadequate enforcement, and corruption in public office. It cannot be doubted that one ingredient which would be essential for the successful enforcement of a prohibition law was ultimately lacking—popular support for its enforcement was not in evidence in the succeeding years. This is not to state that the experiment was a failure to the same extent or in one fashion throughout the land. As a national program, however, the 1919-1934 attempt fell short of its goals.

## PROHIBITION IN CANADA \*

### Prohibition Movement

Almost immediately after confederation, an agitation was inaugurated for total Prohibition throughout the Dominion. From every part of the country petitions poured into the Dominion Parliament, and resolutions were

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\*From "Standard Encyclopedia of the Alcohol Problem."

adopted by several provincial legislatures, all asking the national body for the enactment of such a law. In 1873 the number of petitions praying for Prohibition was very great; and the House of Commons, on the motion of Sir John A. Macdonald, appointed a committee to consider them. This committee subsequently requested a grant of money, to be expended in analyzing liquors with a view to ascertaining the extent to which adulteration was practised. The grant was made. Later the same committee presented a report, containing a strong declaration in favor of total Prohibition. In 1874 a Royal Commission was appointed, which, in the following year, presented a careful and comprehensive report on the subject.

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## The Scott Act

In 1878 Parliament pledged itself to deal with the Prohibition question by the enactment (May 8) of the Canada Temperance Act, popularly known as the "Scott Act" because it was introduced into Parliament by the Hon. R. W. Scott, Secretary of State. It was a measure of local option available for cities and counties, and was divided into three parts. Miss Ruth Spence enumerates its more important points thus:

A petition by one-fourth of the electors in any city or county required the taking of a poll. A majority vote in favor of the law secured its enactment. It provided for total prohibition, which could not be revoked for three years, and then only upon a reversal of the poll. If the measure were defeated, no similar petition could be presented for three years.

From the day on which the act came into force, no intoxicating liquor could be sold within the prohibited region, except for medicinal, sacramental, or industrial purposes, by druggists and specially licensed vendors, under strict regulations as to quantity and conditions of sale. The law permitted the sale, by any producer of cider, or licensed distiller or brewer, of liquor of his own manufacture in specially defined wholesale quantities to druggists or licensed vendors within the prohibition area, or at retail in districts where the law was not in force. This provision was for the purpose of supporting home industries. The manufacture of native wines has always received special consideration in measures of liquor legislation.

The penalty for violation of this law was fixed at a maximum fine of fifty dollars for the first offense and one hundred dollars for the second, and imprisonment for two months upon every subsequent conviction.

This measure fell far short of what the temperance party desired, but it was taken hold of in earnest, with a desire to make the best possible use of it, with the result that within seven years Prohibition had been secured throughout the whole of Prince Edward Island, in the greater part of New Brunswick, Nova Scotia and Ontario, and in a number of counties in Quebec. With very few exceptions the counties and cities of Nova Scotia, New Brunswick, and Prince Edward Island which adopted the Act retained it till Provincial Prohibition was secured. In Ontario, unfortunately, political complications interfered with its success. In this province all liquor laws were administered by local boards of commissioners, appointed by the Provincial Government from year to year. This system necessarily made the issuing of liquor licenses a piece of party patronage, and brought the liquor traffic actively and interestedly into provincial politics. The enforcement of the law was defective and irregular. Where it was fairly and effectively carried out the liquor traffic became arrayed against the party in power. Where it was not properly enforced, friends of the law and order were disgusted and offended. The liquor interests took advantage of the opportunity; and, when the question of repeal was submitted to the electors, the active political workers, who cared more for party than for



principle, united (1887-1888) to defeat a measure that was to them an annoyance, although it was a blessing to the community. The law was repealed in every place in Ontario in which it had been adopted. At a later period, the Act was repealed also in the Quebec counties in which it was in operation.

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## Prohibition Movement in Ontario

The Legislature approved the plan of the Government, and further passed an Act providing for the taking of a ballot vote of the electors on the question: "Are you in favor of the immediate prohibition by law of the importation, manufacture, and sale of intoxicating liquors as a beverage?" This vote was taken on January 6th, 1894, when the municipal elections were being held, and resulted as follows:

| Vote | Men     | Women  | Total   |
|------|---------|--------|---------|
| Yes  | 180,087 | 12,402 | 192,489 |
| No   | 108,494 | 2,226  | 110,720 |

Shortly after the taking of this vote a great convention of Prohibition workers, held in the city of Toronto, appointed a deputation to wait upon the Ontario Government, and "respectfully request them to declare in favor of the total prohibition of the traffic in intoxicating liquor to the full extent of the power vested in the Legislature." The deputation was received by the Premier and Attorney-General Sir Oliver Mowat and four other members of the Government. The views of the convention were laid before these gentlemen, and in response, the Premier expressed "his deep sense of the importance of the Prohibition movement and the strength of public sentiment behind it as evidenced by the plebiscite, the result of which was so eminently satisfactory." He then read to the deputation the following statement:

If the decision of the Privy Council should be that the province has the jurisdiction to pass a prohibition liquor law as respects the sale of intoxicating liquor, I will introduce such a bill in the following session, if I am then at the head of the Government.

If the decision of the Privy Council is that the Province has jurisdiction to pass only a partial prohibitory liquor law, I will introduce such a prohibitory bill as the decision will warrant, unless the partial prohibitory power is so limited as to be ineffective from a temperance standpoint.

On subsequent occasions leaders of the Ontario Provincial Government declared their adhesion to the policy thus set out by Sir Oliver Mowat.

In the meantime the Dominion Government, with the concurrence of the Ontario Provincial Government, submitted to the Supreme Court of Canada certain questions for the purpose of ascertaining the exact extent of provincial jurisdiction. This judicial process occupied a number of years. The decision of the Supreme Court was appealed to the Privy Council. The judgment of the Privy Council (May 9th, 1896) was a lengthy deliverance, but gave a direct answer to only one of the questions submitted. That question related to the Act giving municipalities power to prohibit the retail sale of intoxicating liquor in their localities. The judgment stated further that in the argument upholding this decision, would be found a sufficient answer to the question, whether or not a local legislature had power to prohibit the sale of liquor throughout the province.

## Plebiscites

While these events were transpiring the legislators of Nova Scotia and Prince Edward Island also ordered the taking of plebiscites similar to those

that had been taken in Manitoba and Ontario. The result of this voting in all of the provinces in which it took place is as follows:

|                                                    |         |
|----------------------------------------------------|---------|
| Manitoba—majority for prohibition.....             | 12,522  |
| Ontario—majority for prohibition.....              | 81,769  |
| Nova Scotia—majority for prohibition.....          | 31,401  |
| Prince Edward Island—majority for prohibition..... | 7,226   |
| Total.....                                         | 132,918 |

The judgment of the Privy Council, to which reference has been made, was differently interpreted by the governments of the different provinces. The Ontario Government came to the conclusion that the terms of the decision did not definitely settle the important question whether or not a local legislature had prohibitory power, and no further prohibitory legislation was enacted in Ontario for some time.

A different conclusion was arrived at in the province of Manitoba. The Conservative party, under the leadership of the Hon. Hugh John MacDonald had obtained power at a general Provincial election, prior to which a Provincial convention of the party had declared in favor of Prohibition. The new Conservative Provincial Government expressed a belief that the judgment of the Privy Council warranted a measure of Provincial Prohibition, and the Legislature then passed a carefully worded Act providing for the prohibition of the traffic in intoxicating beverages so far as such traffic was local, that is entirely within the province. To prevent conflict over the question of jurisdiction, the coming into force of this Act was suspended, pending the submission to the courts of the question of its constitutionality.

## Prohibition in Prince Edward Island

The Legislature of Prince Edward Island took a similar view and in 1900 the Provincial Liquor Law, somewhat similar in terms to the Manitoba Act, was passed and duly put into operation in Charlottetown, the capital, the only part of the Island not under the operation of the Canada Temperance Act. Thus the "Garden of the Gulf" became on June 4th, 1901, the pioneer Prohibition province of Canada.

\* \* \* \*

## Liquor Interests Successful in Manitoba

The Manitoba Act was fully sustained by the Imperial Privy Council and Prohibitionists expected that it would be brought into operation at once. A change of premiers had, however, taken place, R. P. Roblin now leading the Government in the place of Hugh John MacDonald. The new Government hesitated about taking the action necessary to bring into operation the law that had already been passed, and it laid before the Legislature a proposal to make the coming into force of the measure conditional upon its ratification by a popular vote. This proposal was adopted, and a law was enacted providing that the Prohibition Act already passed should be submitted to the electors for ratification, and that it should become effective only if the votes polled in favor of it should amount to 45 per cent of the number of persons qualified to vote, or if 60 per cent of those who so voted were in favor of the Act, or if 62½ per cent of all the electors voting were in favor of the Act.

Prohibitionists were indignant at this action of the Legislature, and still more so when they found that the provisions for the taking of the vote left the door wide open to fraudulent voting in various ways. Many Prohibitionists refused to go to the polls under the circumstances and, as a consequence, the temperance vote fell far short of the requirements that had been fixed. The

liquor party carried on a campaign of doubtful practices which swelled their vote far beyond its legal maximum. The voting took place on April 2, 1902, and resulted as follows:

|                          |        |
|--------------------------|--------|
| For prohibition.....     | 15,607 |
| Against prohibition..... | 22,464 |

|                       |       |
|-----------------------|-------|
| Majority against..... | 6,857 |
|-----------------------|-------|

\*   \*   \*   \*

## Ontario Temperance Act

In April 1916, the leaders of both political parties in Ontario joined hands in passing the Ontario Temperance Act. This measure provided for the prohibition of all sale of alcoholic beverages so far as the Legislative Assembly has the Constitutional power to take action. The proposal was advocated in the Legislature by the Premier in one of the most eloquent appeals ever heard in that Assembly. With similar earnestness and force, the leader of the opposition endorsed the bill, which was carried by a unanimous vote of the members of the House who were in attendance at its third reading. It went into operation on September 16th following.

The plan of an immediate referendum was changed because of the difficulty of obtaining the soldiers' vote, and it was decided that the measure should be submitted to the people after a period of about three years or a reasonable time after the War. In the meantime the people would have the opportunity of testing its worth. On October 20th, 1919 a referendum was taken throughout the province, the result being:

|                     |           |
|---------------------|-----------|
| Aggregate vote..... | 1,145,705 |
| Dry vote.....       | 695,515   |
| Wet vote.....       | 450,190   |

|                   |         |
|-------------------|---------|
| Dry majority..... | 245,325 |
|-------------------|---------|

\*   \*   \*   \*

The evidence seemed to be conclusive that the people of Ontario were in favor of Prohibition.

## Manitoba

A referendum was held on March 13th, 1916, and the electors voted:

|                          |        |
|--------------------------|--------|
| For prohibition.....     | 50,101 |
| Against prohibition..... | 25,506 |

|                               |        |
|-------------------------------|--------|
| Majority for prohibition..... | 24,595 |
|-------------------------------|--------|

Every constituency in Manitoba except one recorded a majority in favor of the prohibitory law. Some attempts at the old ballot-box trickery were detected early on voting day and promptly suppressed. The new law went into effect June 1st, 1916. (In 1923 the province voted wet.)

\*   \*   \*   \*

## Prohibition in Nova Scotia

In Nova Scotia, the Prohibitionists, working under the Canada Temperance Act and the local option provisions of the Provincial License Act, cleared the liquor traffic out of every county and city in the province, except Halifax. In 1910 a provincial prohibitory law was passed, the City of Halifax alone being exempted from its operation. Following this, the Canada Temperance Act was repealed generally throughout the province; and in 1916 by action of the Legislature the City of Halifax was also brought under the prohibitory law, so that the whole province became dry on July 1st of that year.

## Alberta and Saskatchewan Go Dry

In the new provinces of the West, Alberta and Saskatchewan, created in 1905, temperance sentiment was not long in asserting itself. Under the Direct Legislation Law of the Province, the electors of Alberta on July 21st, 1915 voted on Provincial Prohibition. The result of the vote was as follows:

|                          |        |
|--------------------------|--------|
| For prohibition.....     | 52,295 |
| Against prohibition..... | 37,209 |

|                               |        |
|-------------------------------|--------|
| Majority for prohibition..... | 21,209 |
|-------------------------------|--------|

The law went into force on July 1st of the following year.

The Saskatchewan Legislature in 1915 passed a measure closing all the bars and 38 stores of the province, but established Government dispensaries for the retail sale of liquor (in original packages) in 22 of the principal cities and towns. These dispensaries were made subject to local option, and in the fall elections of 1915 they were wiped out in six districts. A Provincial referendum on the question of abolishing the remaining dispensaries was taken on December 10th, 1916, and resulted in a vote of 95,249 to 23,666 in favor of their total abolition. The law giving effect to this popular demand became operative on the first of the following January.

According to "The Pioneer", the results of Prohibition in Saskatchewan were remarkable. Premier Martin stated that "there is very general satisfaction with the prohibitory law, economically and socially"; and Chief of Provincial Police C. A. Mahony said: "Since the advent of Prohibition a tremendous improvement has been noticeable in the economic conditions of the people of Saskatchewan generally."

It has been estimated that, prior to the passing of the Provincial Prohibition Act by the New Brunswick Legislature, 90 per cent of the territory and more than 80 per cent of the population were under Prohibition. Nine of the fifteen counties and two of the three cities of the province had adopted the Canada Temperance Act. Also, a large proportion of the six counties not under the Dominion law and about one-half of the city of St. John had prohibited licenses through municipal option. The new law, which became operative May 1st, 1917, is one of the most stringent of all the provincial prohibitory laws of the Dominion, and is operating most satisfactorily.

\* \* \* \*

## British Columbia Prohibition Act

The Province of British Columbia for some time lagged behind the other provinces in temperance legislation, but it ultimately caught up with them. It had no local-option law, though a Local Option League, with thousands of adherents, agitated for such a measure for many years. Notwithstanding the fact that in 1909 a plebiscite on the question resulted in a majority of 3,587 in favor of the passing of a local option by-law, no such legislation was given; but, as a direct result of the voting, in the following year a new license law was passed, which was much in advance of any previous liquor legislation in the province. Where it was faithfully enforced, this measure was beneficial, testimony to its efficiency being supplied by the opposition of the liquor trade to its operation.

An educational propaganda was vigorously conducted by various temperance organizations; the People's Prohibition Movement carried on an intensive campaign for a Provincial prohibitory law; and, finally, the Government promised that a vote of the electors should be taken upon the question of further liquor-traffic legislation.

In the spring of 1916 the Legislature passed the British Columbia Prohibition Act, to come into operation on July 1st, 1917, if approved by a majority

vote. A vote was taken at the following general election, and it included the votes of the overseas soldiers. The poll within the province showed an overwhelming majority for Prohibition, 39,843 votes being polled for and 30,839 against, leaving a majority of 9,004 in favor of the Act.

In the taking of the overseas vote scandalous irregularities occurred. The new Government appointed a special commission of inquiry, which later reported to a special session of the Legislature, held in August. The corrupt practices revealed were so glaring that the Government asked the Legislature to pass a Provincial prohibitory bill forthwith. This was done, and the law went into effect on October 1st, 1917.

\* \* \* \*

### Policy of Union Government

On December 22nd, 1917, the Prime Minister announced on behalf of the Government:

On Dec. 17 the people gave to the Government an unmistakable mandate for the vigorous prosecution of the war and for the employment of all the country's energies and resources necessary to achieve victory. It is essential, and indeed vital, for the efficient conduct of the war that wasteful or unnecessary expenditure should be prohibited, and that all articles capable of being utilized as food should be conserved. It is beyond question that the use of liquor affects adversely the realization of this purpose.

The subject has been under consideration of the War Committee of the Cabinet, and the following conclusions have been reached:

(1) Any liquor or beverage containing more than 2½ per cent alcohol shall be regarded as intoxicating liquor.

(2) The importation of intoxicating liquor into Canada is prohibited on and after Dec. 24, 1917, unless it shall have been actually purchased on or before that date for importation into Canada, and unless, having been so purchased, it is imported into Canada not later than the 31st day of January, 1918. The final determination upon any question respecting such purpose shall rest with the Minister of Customs. This regulation shall not apply to importations for medicinal, sacramental, manufacturing or chemical purposes.

(3) The transportation of liquor into any part of Canada wherein the sale of intoxicating liquor is illegal will be prohibited on and after April 1, 1918.

(4) The manufacture of intoxicating liquor within Canada will be prohibited on and after a date to be determined upon further investigation and consideration of the actual conditions of the industry.

\* \* \* \*

### Quebec's Dry Law

Under what was practically a threat of the resignation of the Government, Sir Lomer Gouin succeeded in the Quebec Assembly in having carried unanimously a bone-dry Prohibition law for the Province of Quebec to come into force in May, 1919.

The caucus of the Liberal members, practically the whole House, gave the Government "carte blanche" in the matter of the liquor traffic. The Government, through the Hon. Walter Mitchell, brought in a bill for total Prohibition, and the Prime Minister insisted that the members accept it or express a want of confidence in the Government. "If we have not the confidence of the House, we will submit to the consequences," declared the Prime Minister. The House then unanimously adopted the bill on its second reading, and it was sent to committee for study of clauses and was then given its third reading. The Government had come to the conclusion that it was the will of the people that it should be passed.

In the interval between the adjournment of the Legislature in 1918 and its reassembling in 1919 the liquor interests, especially the brewers, carried out an intensive campaign to induce the Government to amend the new Act

so as to permit the sale of light beer and wine. At the time the temperance forces were disorganized. A great union Prohibition convention was, however, convened by the Good Templars, The Dominion Alliance, Social Service Councils, Ministerial Associations, and other organizations, at which resolutions were adopted protesting against any amendment of the prohibitory law. The Government, however, introduced an amendment which was passed, and on April 10, 1919, the following question was submitted to the electors: "Is it your opinion that the sale of light beer, cider, and wines, as defined by law, should be allowed?" Unlimited funds were at the disposal of the liquor forces; a "Committee of Moderation", composed of prominent citizens, championed the moderate use of wine and beer; and the result of the voting was that the Prohibitionists were snowed under. The official return of the voting was:

|                                         |         |
|-----------------------------------------|---------|
| Yes.....                                | 178,112 |
| No.....                                 | 48,413  |
| <hr/>                                   |         |
| Majority for beer, cider, and wine..... | 129,699 |

On May 1st, 1921, the Taschereau Government brought into force the Quebec Liquor Act, making the traffic in spirits legal through the agency of Government stores, and permitting the sale of wine and of beer (all restrictions as to the strength of these being removed) by hotels, clubs, and taverns duly licensed for the purpose.

\* \* \* \*

**Ontario**

On October 20, 1919, a Prohibition referendum was held in Ontario at the time of the Provincial election.

Four questions were asked the electors upon one ballot. These were as follows:

- (1) Are you in favor of the repeal of the Ontario Temperance Act?
- (2) Are you in favor of the sale of light beer containing not more than two and fifty-one one hundredths per cent alcohol weight measure through Government agencies and amendments to the Ontario Temperance Act to permit such sale?
- (3) Are you in favor of the sale of light beer containing not more than two and fifty-one one hundredths per cent alcohol weight measure in standard hotels in local municipalities that by a majority vote favor such sale and amendments to the Ontario Temperance Act to permit such sale?
- (4) Are you in favor of the sale of spirituous and malt liquors through Government agencies and amendments to the Ontario Temperance Act to permit such sale?

The answers given to each were as follows:

- Question 1: Yes, 369,434; no, 792,942; majority, 423,508.
- Question 2: Yes, 401,893; no, 741,006; majority, 399,115.
- Question 3: Yes, 386,680; no, 755,933; majority, 389,253.
- Question 4: Yes, 450,370; no, 693,524; majority, 243,154.

This firmly established Provincial Prohibition in Canada's largest province.

\* \* \* \*

**Results of Prohibition**

As to the results of Prohibition in Canada, two interesting sidelights thereon may be cited. (1) The Neighborhood Workers' Association of Toronto, which is a clearing-house for the many social service and relief agencies of the City of Toronto, in its report for 1919 states that during the eleven months ended

April 30, 1919, out of 773 cases calling for their charitable services, only 9 were reported as having the handicap of intemperance. (2) The Toronto Board of Trade was asked, after Prohibition had been in force in that city for a year, to give a frank opinion as to its effect, beneficial or otherwise. The 397 replies received to the inquiry covered the major industries and commercial institutions of the city. Divided into five classes, the replies were classified as follows:

|                           |     |
|---------------------------|-----|
| Strongly unfavorable..... | 3   |
| Mildly unfavorable.....   | 6   |
| No opinion.....           | 22  |
| Mildly favorable.....     | 25  |
| Strongly favorable.....   | 341 |

These replies clearly evidenced also the following opinions as to the economic results of Prohibition:

1. Retail and wholesale business increased and improved, a large proportion of cash trade, a greater demand for the better class of goods.
2. Increased regularity, punctuality, and efficiency of workers, resulting in greater earnings for labor and larger returns for capital.
3. More employment at better wages, better conditions and greater safety of work, higher standard of living.
4. Home life bettered, wages formerly wasted now used for family comforts and luxuries, poverty and pauperism lessened.
5. Rent and taxes more promptly paid, artisans building and buying homes for themselves.

The Toronto business men were asked if they considered the foregoing to be a fair statement as to the effect of Prohibition upon business. Their replies were:

|          |       |         |    |
|----------|-------|---------|----|
| Yes..... | 1,318 | No..... | 96 |
|----------|-------|---------|----|

Of the general work of temperance organizations in Canada, Miss Ruth E. Spence, speaking at the Fifteenth International Congress Against Alcoholism, at Washington, D.C., Sept. 23, 1920, said:

Organized temperance reform in Canada began early in the nineteenth century, very humbly, with a few individuals who, believing the use of intoxicating beverages harmful, pledged themselves to renounce it, and formed little temperance societies for mutual encouragement and the propagation of their ideas. They were opposed, scoffed at, or ignored as a handful of fanatics. Yet it was not long before there was a Band of Hope, Blue Ribbon Club, or Temperance Lodge in almost every village. These early temperance societies took more definite form as fraternal and benefit organizations—Sons of Temperance, Independent Order of Good Templars, and Royal Templars of Temperance, which, following up the interest created by the pledge-signing crusade, went further and advocated total Prohibition as well as total abstinence.

At first this movement was entirely outside the organized church. But through the young people's societies the churches were swung into line, and indeed, came in time to supersede the temperance societies, which gradually dropped out as their torch was carried forward by the older and stronger institution of the Christian Church.

The Woman's Christian Temperance Union was first organized in Canada in 1874. It has always stood for legislative action as well as moral suasion. Realizing that women could not effectively combat the liquor traffic without the ballot, the W.C.T.U. pioneered the road to the enfranchisement of Women in Canada.

## **PROHIBITION IN INDIA AND PAKISTAN**

Almost the only parts of the world where State prohibition is in effect (except for local option areas), is in India and Pakistan. We include here some brief comments regarding the regulatory liquor laws of these two countries.

### **INDIA**

Twenty states have replied to the Central Government's circular asking for information regarding the implementation of the prohibition policy in the states and the lines on which future action should be developed. The information was furnished in the Rajya Sabha in a written answer by Mr. S. M. Mishra, Deputy Minister for Planning.

#### **Jammu and Kashmir**

The Government of Jammu and Kashmir have expressed inability to introduce prohibition as the State's economy depends on tourist traffic.

#### **Bhopal**

The Government of Bhopal have introduced some restrictive measures and aim at complete prohibition by gradual stages. The State authorities think that success can be attained only by social and moral persuasion and not by legislation and force.

#### **Saurashtra**

The Government of Saurashtra introduced total prohibition in their state with effect from 6th April, 1950. They intend following the lead of Bombay in this matter.

#### **Coorg**

Prohibition is being aimed at by restrictive measures with effect from 1st April, 1949. The retail of liquor is curtailed, consumption rationed only to registered addicts and the strength of the liquor reduced.

#### **Kutch**

Prohibition has not been introduced in Kutch State. However, more and more restrictions are being imposed gradually on the sale of liquor. The state pleads financial considerations but will be introducing prohibition in the near future.

#### **Himachal Pradesh**

The Government of Himachal Pradesh have prohibited country liquor in four taluks. In the rest of the state, gradual prohibition is being aimed at by curtailing the retail of liquor, reduction in the number of shops and reduction in the hours of sale of intoxicants.

#### **Madras**

The entire State of Madras (excluding the agency areas now in Andhra State) went dry in October, 1948. The state government are in entire agreement with the resolution on prohibition passed by the Indian National Congress on 5th April, 1954.



## **Madhya Pradesh**

One-third of the state has been dry since 1938. Total prohibition of all intoxicants is the policy of the state government, towards which all efforts are being directed.

## **Hyderabad**

Hyderabad has no programme for immediate total prohibition.

## **Uttar Pradesh**

Prohibition has been in force in 11 districts and three towns of religious pilgrimage of the state. The results of a survey conducted by the government regarding conditions prevailing in the dry areas of the state are under consideration, and it is hoped they will help in determining the future course of action to be taken with regard to prohibition.

## **Pepsu**

No concrete steps have so far been taken for the introduction of prohibition, as the state was under the President's rule during 1953-54. The present ministry intends to make a review of the position.

## **Andhra**

Prohibition is now in force throughout the state except in the agency areas. The government appointed a committee in January, 1954, to review the working of prohibition. The report of the committee, which was formed under the chairmanship of S. V. Ramamurthy, is under the consideration of the government.

## **Orissa**

Policy of gradual prohibition is in operation throughout the state since 1947-48. From 1st April, 1954, the districts of Cuttack, Puri and Balasore, excepting the merged territories, have gone dry. All liquor shops within a radius of five miles of the Andhra State have been closed. The Government of Orissa have accepted total prohibition as their ultimate goal.

## **Madhya Bharat**

Prohibition was first introduced in Bhilsa District with effect from 12th December, 1948. The government is of the opinion that co-operation to the requisite extent has not been forthcoming from the neighbouring states, and that unilateral action by any state in such a matter could not achieve the desired results. (For instance, the Rajasthan and Bhopal States have not acceded to the request of the state government for closing down their excise shops in the five-mile belt adjoining the Bhilsa District in which prohibition has been introduced.)

## **Mysore**

Prohibition was first introduced in 1938 and it has been gradually extended to six districts and six taluks. The state intends to pursue prohibition.

## **Punjab**

Prohibition was introduced in one district, but it did not prove to be a successful experiment due to partition problems. Punjab Government now aims at total prohibition by gradual steps.

## **Bihar**

The state aims at gradual prohibition by restrictive measures. To achieve this end, the state government has announced a Temperance Drive Propaganda in order to educate the public mind towards the evils of intoxicants.

## **West Bengal**

Restrictive measures aiming at gradual prohibition are being enforced.

## **Bombay**

There is total prohibition throughout the State of Bombay from 6th April, 1950, and there is no change in this policy.

## **Vindhya Pradesh**

Gradual prohibition is contemplated by pursuing a policy of maximum revenue and minimum consumption. The first step taken with this end in view is the abolition of the out-still system in two districts of the state. The state authorities feel that they are not able to do better for want of finances and the ineffectiveness of the scheme if the neighbouring states still continue to be wet.

(Source:  
*Bulletin of the International Bureau  
against Alcoholism*  
Case Gare 49—Lausanne, Switzerland  
January-February, 1955.)

## **LIQUOR LAWS OF PAKISTAN BY PROVINCES**

### **East Bengal**

In this province, permits to have or consume liquor are granted only to:

- (1) Persons requiring liquor for medicinal purposes;
- (2) Persons not prohibited from taking liquor under any injunction of the religion they follow;
- (3) Persons who are permitted by established social custom to use liquor; and
- (4) Foreigners other than Muslims.

All others are forbidden the use of liquor. Hence the authorities refer to their law as a prohibition law.

Those entitled to have liquor must purchase it from licensed vendors and strict quotas on purchases are laid down. Clubs (messes, societies, lodges, etc.) may be granted licenses to sell liquor to members or their guests holding permits. "Special occasion" permits may also be granted to permittees for possession and consumption of liquor on special occasions.

This law, which has been in effect since 1950, has, according to the authorities, eradicated drinking among Muslims and some of the non-Muslims. It has, however, led to an increase in illicit distilling and in illegal possession of liquor (without a permit). The general public, the authorities say, have welcomed the "prohibition" scheme nonetheless.

## **The North-West Frontier Province**

In this province, the law in effect is called a "prohibition" law since it allows only "authorized persons" (meaning persons of non-Asiatic domicile, non-Muslims and certified liquor addicts) to have and consume liquor for beverage purposes. Licensed premises (on-sale and off-sale) are permitted to accommodate those authorized to use liquor (e.g. clubs, messes, hotels, railway dining cars, liquor shops).

## **Punjab**

This province also has a prohibition law which permits possession and consumption of foreign liquor (country or local liquor is forbidden to all) by non-Muslims only. Muslims are allowed to use foreign liquor only on medical grounds after strict medical certification. Permits are required by those authorized to have and consume liquor and restricted quantities are allotted to permit holders.

This law, which has been in effect since 1949, has resulted in the complete abolition of sale and consumption of liquor in public places, the closing of 78% of all foreign liquor shops and a reduction in provincial consumption of liquor from .0065 gals. per capita to .0008 gals. per capita. The authorities state that the law is achieving its objective since Muslims and non-Muslims alike are freeing themselves of the liquor habit.

## **Provinces of Sind and Karachi**

Both of these provinces observe much the same law, which, while a prohibition law, is somewhat more lenient to "authorized" persons than the aforementioned laws of the other provinces. Licensed premises include retail shops, hotels, bars, in ships, clubs, canteens and dining cars. The administration and enforcement of the laws in these two provinces is, according to the authorities, more flexible and hence there is not the same degree of prohibition in effect.

(Above material obtained from a Summary of the Provincial Laws of Pakistan forwarded by their High Commissioner at Ottawa, and from statutes also made available from that source.)

## **THE LAISSEZ FAIRE SYSTEM**

As was stated in the early part of this chapter, England furnishes one of the best examples in the world of a well-administered License System. Unfortunately—or perhaps fortunately—she presents us with two of the best illustrations in the world of what happens when a government lowers its standards and lets the maximum of freedom reign—when it revises its liquor control on the assumption that "getting the government out of liquor business" will improve conditions.

Sidney and Beatrice Webb were two of the leading writers on Social and Labor conditions in England of the early 19th century. The description they

gave of conditions in the "Period of Laxness," and during the Period of Free Trade in Beer, is the best answer we have found to the suggestion that the removal of government controls would cure many of today's social ills.

### A Period of Laxness in England<sup>1</sup>

After the Restoration, as De Foe remarks, taverns multiplied fast, and the consumption of wine grew apace.

The drunkenness caused by the wine-shops was completely thrown into the shade by the results of the free sale of gin. During the greater part of the seventeenth century the new art of distillation of spirits had been a monopoly in the hands of the Distillers' Company and other royal patentees, and the trade had remained small. But after the Revolution, as part of the commercial warfare levied against the French, the importation of foreign brandy was prohibited or heavily taxed, and a general permission was granted in 1690 to all persons to distill and retail spirits made from English-grown corn.

The habit of drinking ardent spirits now assumed alarming proportions. The Legislature, far from desiring to suppress this new drink traffic, at first gave its distinct encouragement. It became an object of the Government to develop the manufacture of English brandy and strong waters, seeing that in this way, "great quantities of the worst sort of malted corn, not useful to the brewers, hath been yearly consumed by those who set up works for that purpose." Between 1690 and 1701 a series of statutes provided, for the encouragement of these patriotic distillers, that if they used malted corn, they should pay only a low preferential duty on their product, whilst "French and other foreign brandies should be as far as possible excluded. No provision had been made by Parliament for requiring retailers of spirits to obtain a license, and "punch houses" and "dram shops," as the new places were called, multiplied rapidly in London and Westminster. It is true that in 1701 the retailers of British spirits were required to obtain an ale house license from two Justices, but as this was found, in the words of a House of Commons Committee, to be "a great hindrance to the consumption of English brandies",<sup>2</sup> it was, in the very next year, so far repealed as to leave the distillers themselves free to open as many retail spirit shops as they chose and also to permit a like free sale in the case of "all other shopkeepers whose principal dealings shall be more in other goods and merchandise than in brandy or strong waters."<sup>3</sup>

The result of this free sale of a powerfully intoxicating liquor, rendered specially cheap by the extremely low duty on its manufacture, was a perfect pandemonium of drunkenness, in which the greater part of the population of the metropolis seems to have participated. Not only were there in London and Westminster six or seven thousand regular dram-shops, but cheap gin was given by masters to their workpeople instead of wages, sold by the barbers and tobacconists, hawked about the streets on barrows by men and women, openly exposed for sale on every market stall, forced on the maid servants and other purchasers at the chandler's shop, distributed by the watermen on the Thames, vended by pedlars in the suburban lanes, and freely offered in every house of ill-fame, until, as one contemporary writer puts it, "one-half of the town seems set up to furnish poison to the other half."

"Every one who now passes through the streets of this great Metropolis," says a contemporary pamphleteer, "and looks into the distillers' shops . . . must see, even in shops of a creditable and wholesale appearance, a crowd of poor ragged people, cursing and quarrelling with one another over repeated

1. Sidney and Beatrice Webb—*The History of Liquor Licensing in England*—pp. 20-33.

2. House of Commons Journals, 17th and 27th February, 1702.

3. 12 and 13 William III, c. 11 (1701), and 1 Anne, stat. 2, c. 14 (1702). An attempt by the Distillers' Company to obtain power to inspect all spirits, and insist on good quality, though at first favoured by the House of Commons, was not made law (House of Commons Journals, 17th and 27th February, 6th, 18th and 27th March, 1702).

glasses of these destructive liquors . . . In one place not far from East Smithfield . . . a trader has a large empty room backwards where, as his wretched guests get intoxicated, they are laid together in heaps, promiscuously, men, women, and children, till they recover their senses, when they proceed to drink on, or having spent all they had, go out to find wherewithal to return to the same dreadful pursuit, and how they acquire more money the sessions paper too often acquaints us."

"Such a shameful degree of profigacy prevailed," writes Smollett, who saw the London of that date with his own eyes, "that the retailers of this poisonous compound set up painted boards in public, inviting people to be drunk for the small expense of one penny, assuring them they might be dead drunk for twopence, and have straw for nothing. They accordingly provided cellars and places strewn with straw, to which they conveyed those wretches who were overwhelmed with intoxication. In these dismal caverns they lay until they recovered some use of their faculties, and then they had recourse to the same mischievous potion".<sup>1</sup>

But, already in 1729, Parliament had tried to cope with the evil by a sudden reversal of policy. In place of "free sale" it had sought to introduce, with regard to the most pernicious forms of alcoholic drinks, a system of licensing and heavy taxation of the retail trade. By the first "Gin Act"—not to be confused with the more celebrated one of 1736—a new and additional excise duty of five shillings per gallon was put on gin and other "compounded" spirits, and every retailer of them was required to pay twenty pounds a year for a license, whilst the hawking about the streets of any kind of spirits was expressly prohibited.<sup>2</sup> This Act merely led to the invention of new forms of spirit, one of them called in derision "Parliament Brandy," which did not fall within its scope; and it was repealed in 1733, on the plea that, whilst doing no good, it checked the sale of barley to the distillers.

The orgy became, however, so terrible that, in 1736, Sir John Jekyll, then Master of the Rolls, induced Parliament to adopt a practically prohibitory policy, extending the policy of the Act of 1729 to all spirits whatsoever, imposing a new tax on retailers of the enormous sum of twenty shillings for every gallon sold, and restricting this retail sale to publicans who paid fifty pounds a year for the privilege. This drastic measure led only to riots and a complete collapse of the Justices' authority.

The law simply could not be put in force. "Every man . . . foresaw," subsequently remarked a shrewd member of the House of Lords "that it was such a law as could not be executed, but as the poor had run gin-mad, the rich had run anti-gin-mad, and in this fit of madness no one would give ear to reason."<sup>3</sup>

In the course of seven years only two licenses at the exorbitant fee of fifty pounds were ever taken out. "Since the populace saw they could not evade the law," Lord Cataret plainly told the House of Lords, "they openly and avowedly transgressed it; and the transgressors were so numerous that they even set the Government itself at defiance. No private man, no under officer durst inform, no magistrate durst punish, without being in danger of being De Witt-ed by the mob as he passed along the streets".

In spite of the fact that no spirits could legally be sold by retail at all—for no one had taken out the necessary license<sup>4</sup>—the amount manufactured, on which the excise duty was paid, rose from 4,947,000 gallons in 1743 to no less than 7,160,000 gallons in 1742.

1. History of England, by Smollett, vol. ii. ch. xviii. p. 430 (1848 edition).

2. 2 George II. c. 17 (1729); repealed by 6 George II. c. 17 (1733).

3. The Earl of Islay, in the debate in the House of Lords (Parliamentary History, 21st February, 1743)

4. The fact that, in seven years, only two (or three) licenses had been taken out, was stated in the House of Lords by Lord Bathurst, on the authority of Burton, a Commissioner of Excise (Parliamentary History, vol. xii. pp. 1201, 1294).

The 1736 Act had, it is said, never secured the approval of Walpole, the then all-powerful minister, but he had not cared to oppose the momentary tide of opinion in Parliament. Within a very few years it became evident that it had totally failed to suppress excessive gin-drinking. Though the Government got no revenue either from licenses or the duty on retail sales, the consumption was enormously increasing. "You can hardly pass along any street of this great city," said the Bishop of Salisbury in 1743, "at any hour of the day, but you may see some poor creatures mad drunk with this liquor, and committing outrages in the street, or lying dead asleep upon bulks, or at the doors of empty houses. It is true we have not now those public and open scenes of wickedness and debauchery that appeared in every gin-shop before the making of the law . . . but the trade is carried on, though more privately, yet with as great excess as ever, and the reason we do not see more objects in streets is because most of them sleep out the dose in the private corner where they took it in."

By 1743, the Government needed actually more revenue, and was in no mood to dispense with any. It therefore brought forward a Bill which it had got drafted by Kent, one of the great distillers of the time. This measure repealed the 1736 Act, and adopted the policy ever since maintained in this country, namely, the combination of revenue duties on the manufacture of spirits, with the licensing of retailers at a moderate annual fee under magisterial supervision. This momentous reversal of policy "was hurried through the House of Commons with the utmost precipitation, and passed almost without the formality of a debate." But in the House of Lords the enemies of Ministers rallied their forces, and they were powerfully aided by the whole bench of bishops. The debate which ensued happens to have been more fully recorded than, perhaps, any other parliamentary discussion of the century.<sup>1</sup>

The bishops strenuously opposed the setting up of a traffic destructive alike of health and morality. They seem to have suggested as a remedy an increased stringency of the prohibitory law, and the exercise of greater care by the Justices in granting alehouse licenses. "If," said the Bishop of Salisbury, "Justices of Peace did their duty they would be much more cautious than they are in granting or continuing licenses; but they never did, they never will do, their duty in this respect. Do not we know that they never do refuse a license to any one that is willing and able to pay for it? Are there not now many notorious vile houses licensed as coffee-houses or alehouses? Do not we know that when such houses become a nuisance to the whole neighborhood, it is with the utmost difficulty that the honest neighbours can prevail with the Justices to take away the license?"

It is needless to add that, notwithstanding the zeal and fervour of the bishops, and the eloquence of the noble opponents of the new administration, the new Prime Minister got his way. The Bill of 1743 passed into law. The retail license duty was reduced from £50 to £1, and the prohibitive duty of 20s. per gallon on retail sales was abolished, whilst the very moderate duty then levied on the manufacture was only slightly increased.<sup>2</sup>

### "Free Trade in Beer" in England—Early 19th Century<sup>3</sup>

A perfunctory select committee of the British Parliament, appointed to endorse a foregone conclusion, gave formal audience to the exaggerated estimates of ruin apprehended by existing license-holders.<sup>4</sup> But no attempt was

1. Besides the general histories already cited, the student of this great debate will consult Archbishop Secker's Diary under 24th February, 1743, in his Works (1811); Ebenezer Timberland's History and Proceedings of the House of Lords (1744), vol. viii.; Cobbett's Parliamentary History, which devotes no less than 248 pages to the proceedings (vol. xii. pp. 1191-1439); the London Magazine, October, 1743; and the Gentleman's Magazine, November, 1743.

2. In 1747 there was, for reasons unknown to us, a temporary departure from this policy, in that distillers were allowed to retail without magisterial license. This led to abuses, stigmatized by H. Fielding in his Inquiry into the Causes of the Late Increase of Robbers (1748), and to the total prohibition of distillers to retail, even with a license, in 1751.

3. Beatrice and Sidney Webb—*The History of Liquor Licensing in England*—pp. 114-126.

4. Report of the House of Commons Committee on the Laws and Regulations restricting the Sale of Beer by retail, 1830; and also A Few Words on the Licensing System and the Proposed Unlimited Increase of Public-Houses (1830).

made to inquire what would be the effect of the measure on drunkenness and disorder. No one recalled the experience of Free Trade in liquor between 1689 and 1729; or that of the indiscriminate granting of licenses and neglect of regulation between 1753 and 1787. No evidence was sought or tendered as to the relative social condition of districts in which licenses had been restricted and publicans regulated, compared with those in which licenses had been granted practically without limit or conditions.

The decision to allow Free Trade in beer, momentous, as we shall see, in its consequences, may indeed be cited as the leading case of legislation based on abstract theory—an axiom deducted from first principles—without investigation of previous experiments, without inquiry into the existing facts, and even without any clear conception of the state of society which it was desired to bring about. The proposals of the Government were adopted in their entirety. The second reading of the Beer Bill was carried by the overwhelming majority of 245 to 29. Attempts to restrict the new beer-shops to sales for consumption off the premises only were defeated by large majorities in both houses. Within a few weeks from the introduction of the measure it had become law that, from and after the ensuing autumn, any person whose name was on the rate-book might open his house as a beer-shop free from any Justices' license or control, merely on payment of two guineas to the local office of excise.<sup>1</sup>

So instantaneous and dramatic a transformation as occurred in October, 1830, has seldom been effected by any Act of Parliament. The very day on which the statute came into operation, a perfect swarm of what, for some inexplicable reason, were called "Tom and Jerry shops" or "tiddlywinks," were opened in every town and village. The excise offices were besieged by householders eager to pay the two guineas by which they acquired the privilege of retailing beer. In Liverpool alone there opened more than fifty additional beer-shops every day for several weeks. Within less than six months no fewer than 24,342 new beer-sellers had paid the excise fee, and the number still continued to grow with great rapidity.<sup>2</sup> It is impossible to describe the orgies that ensued. "The new Beer Bill," wrote Sydney Smith only a fortnight after it had come into force, "has begun its operations. Everybody is drunk. Those who are not singing are sprawling. The sovereign people are in a beastly state."<sup>3</sup>

The new beer-shops were naturally kept by all sorts and conditions of men—persons who had been refused public-house licenses on account of bad character, "petty tradesmen who would rather get their bread by any other way than by hard labor," poor widows set up in an easy business by the charity of their neighbours, or even by gifts from the poor rate, unemployed labourers whose cottages happened to be rated, and all the non-descript class of those who combined a little poaching and gambling with the occasional receipt of stolen property. Many of these persons were mere pawns in the hands of those who supplied the beer. To take advantage of Free Trade, a new type of

1. 11 George IV and 1 William IV, c. 64 (1830); Hansard, vol. xxv. 1830, pp. 580, 1104, etc.; History of England, by Spencer Walpole (1879), vol. ii. pp. 545-546; History of England during the Thirty Years' Peace, by Harriet Martineau (1849), vol. i. ch. x. p. 545. It has been said, we know not on what authority "that the Duke of Wellington considered that the passing of this Bill was a greater achievement than any of his military victories" (The Temperance Movement, by P. T. Winskill (1892) vol. i. p. 18). So far was the Free Trade policy carried by the executive government that retailers of table-beer only, charging not more than 1½d. per quart, whether for consumption on or off the premises, were exempted even from taking out an excise license or other formality (see Treasury letter of 9th November, 1830, interpreting 42 George III, c. 38, sec. 18 (1802), in the sense most favorable to freedom). Such "swanky shops," as they were called, remained for a whole generation absolutely unenumerated, untaxed, unlicensed, and unrestricted (Report of Select Committee on the Operation of the Acts for the Sale of Beer, 1850, pp. 44, 54, 75; History of Taxation and Taxes, by S. Dowell (1888), vol. iv. p. 97).

2. "Within nineteen days from 10th October, as many as 800 licenses were taken out under the Act in Liverpool alone, and by the end of the year the total number of licenses granted in England and Wales rose to 24,342" (The Temperance Movement, by P. T. Winskill, 1892, vol. i. p. 18). The number rose to 30,978 in 1831, 33,515 in 1832, and to no fewer than 45,717 in 1838. See p. 44 of Thirteenth Report of Commissioners of Inland Revenue, 1870; History of Taxation and Taxes, by S. Dowell, 1888, vol. iv. pp. 95-96.

3. (p. 47) Sydney Smith to John Murray, 24th October, 1830, in Lady Holland's Memoir, vol. ii. p. 310. Only four years before, as previously mentioned, he had been advocating Free Trade in ale and in ale-houses.

brewer sprang up, whose agents travelled from village to village to persuade all and sundry persons to start selling beer, even in the smallest way, advancing the two guineas for the excise fee and supplying casks on credit. One firm boasted in 1833 of having itself opened 200 such beer-shops in the town of Birmingham and the neighbourhood. In country villages, "Where there was formerly only one public-house," the workman had "now to run the gauntlet through three or four beer-shops, in each of which are fellow-labourers carousing who urge him to stay and drink with them." The local vote exercised by the squire, the clergyman, and the principal inhabitants was ruthlessly broken down. One large brewer prided himself on having set up beer-shops throughout Hampshire in one hamlet after another, where, as he said, the selfish policy of the farmers had made the labourers "hardly know the taste of beer," a commodity which he intended should become to the rural population, "as it has to the inhabitants of town, almost a necessity of life."

The situation and character of the new drink-shops were as harmful as their numbers. Hitherto the houses in which intoxicants had been allowed to be sold had been premises of a certain size and prominence of position, devoted exclusively to this trade, and situated in such a way as to be always under public supervision. Not only was beer now sold at every baker's and petty chandler's shop: regular drinking-places were opened in cellars and back premises in every alley in the town slums; in lonely cottages in the country by-lanes; often, indeed, in mere sheds behind the village street, by the roadside, or in the remote recesses of the woods. It is easy to imagine, in the absence of any efficient policy, the accompaniments of gambling, brutal amusements, and licentiousness, which the competition of beer-sellers for custom encouraged in such places. The regulations of Parliament as to hours of closing, etc., were simply set at naught. "Houses of this description," writes one observer in 1834, "sprung up in every corner of the land, by the roadside, in every city, town, and village . . . have become the resort of individuals of depraved, abandoned, and desperate character," who are "encouraged in but too many cases by the loose principles of those who have adopted this line of trade."<sup>1</sup>

It is hard to find a redeeming feature of this debauch.<sup>2</sup> The optimistic prophecy that an increased consumption of beer would be accompanied by a permanent reduction in dram-drinking was completely falsified. For the first two years that the 30,000 new ale-houses were plying the labourers with beer, there was a slight check to the growing consumption of spirits<sup>3</sup>. But within a very short time this had again risen to a total never before reached. Nor are the reasons for this increase far to seek. The existing licensed victuallers naturally strove to develop the sale of the article which the beer-shops could not supply, with the result, as we are told in 1834, that "Many of the old victualling houses where beer was principally consumed, and no spirits, have been turned into splendid gin-shops."<sup>4</sup>

It was this new competition of the beer-shop, in fact, which led to the creation of the modern "gin-shop rising like a palace," which, in the words of a witness in 1834, "absorbs the wealth and the health and the life of the labouring class." Contemporary observers described the transformation "A low, dirty public-house with only one doorway" would be converted "into a splendid edifice, the front ornamented with pilasters supporting a handsome

1. Bristol Journal, 25th October, 1834.

2. Apart from the profit of the public revenue, and to the growers of barley and hops involved in the greater consumption of beer, the only thing that can be said in favour of the new beer-houses seems to be that they did multiply the facilities for lodging the travelling artisan or poor pedestrian, a kind of accommodation which had in some places been deficient (see the experiences given in Bamford's *Early Days*).

3. The amount of British spirits charged to duty in England and Wales was 3,684,049 gallons in 1825; 7,407,204 in 1826, on reduction of duty; 7,759,687 in 1828; 7,732,101 in 1830; 7,281,900 in 1832; 7,644,301 in 1834; 7,930,490 in 1838; and 9,076,381 in 1845 (see Appendix No. 19 in First Report of Commissioners of Inland Revenue 1857).

4. Report of House of Commons Committee on Drunkenness, 1834 p. 115. "The beer-shops have tended to increase the number of dram-shops . . . The publicans complain that they were compelled to adopt the system of opening a dram-shop . . . in order to make up for the deficiency in the sale of their beer" (*ibid.* p. 53.).



cornice and entablature and balustrade, and the whole elevation remarkably striking and handsome; the doorways were increased in number from one, and that a small one only three or four feet wide, to three, and each of those eight to ten feet wide; the floor was sunk so as to be level with the street; and the doors and windows glazed with very large single squares of plate glass, and the gas fittings of the most costly description; the whole excited the surprise of the neighbourhood . . . When this edifice was completed, notice was given by placards taken round the parish; a band of music was stationed in front . . . the street became almost impassable from the number of people collected and when the doors were opened the rush was tremendous; it was instantly filled with customers and continued so till midnight. I naturally concluded . . . that this house had all the customers . . . (but) we found all the other gin-palaces were equally crowded as before; they had all lowered their prices to compete with this new shop, and attracted a large number of customers; each gin-shop, in fact, was as full as it was possible to be of customers.’<sup>1</sup>

Moreover, the establishment of new beer-shops was a direct cause of an increase in the number of fully licensed public-houses. It became the policy of some licensing benches to press and persuade the beer-shop keepers to take out a license for the sale of spirits in order to get some hold over them, and so obtain a more effective guarantee of orderly conduct.<sup>2</sup> Even the regulations which the Justices had made for the public-houses had to be relaxed in face of the competition of the unregulated beer-houses. Up and down the country, as we have described, the Justices had striven to enforce some measure of Sunday closing. Parliament had forbidden the beer-shops to be open after ten o’clock at night or before five in the morning, but had made no special law as to Sunday hours. The consequence was that where the Justices had insisted on the public-houses being entirely closed on Sunday, or closed until after divine service, they were practically compelled to relax these rules and allow the licensed victuallers, like the beer-shops, to be open all Sunday, provided that they respected the general prohibition of drinking during the hours of divine service.<sup>3</sup>

By the time the new Parliament met, in March, 1831, the first results of Free Trade in beer had caused a perfect panic of alarm among those who were responsible for the peace and good order of the countryside. The winter had, in the south of England, been one of almost constant uproar and sullen rebellion, during which ricks had been burnt and machinery destroyed.<sup>4</sup> The new beer-houses, exempt from magisterial control, were the places of meeting of the disaffected labourers, and thus, it was said, the centres where rebellion was fomented and plans of incendiarism were concocted. Resolutions poured in from Quarter Sessions, expatiating on the evils which the Act of 1830 had brought on peaceful villages.<sup>5</sup> The bishops in the House of Lords forcibly urged on the new Whig Ministry the “alarming increase of immorality, pauperism, and vice among the lower orders arising from the great number

1. Report of House of Commons Committee on Drunkenness, 1834, p. 274. It became increasingly the custom of the licensed victuallers to employ musicians and singers. “Many of the publicans,” we are told in 1834, “have organs in their houses;” and in Manchester, declared the Burroughreeve, they even played psalm tunes on Sunday evenings, “as an inducement for the parties to go and spend their money there rather than go to the beer-shops” (ibid, p. 53). No license or permission was then required for public music or dancing except (by George II. c. 2) within twenty miles of London, and in a few towns by their Local Acts.

2. Thus, both at Dartmouth and at Torrington (Devor.) the magistrates, between 1830 and 1833, deliberately granted new licenses in order to obviate the establishment of mere beer-shops not under their control (First Report of Municipal Corporation Commissioners, Appendix, vol. i., pp. 475 and 671).

3. See the case of Stockport (Cheshire) in Report of House of Commons Committee on the sale of Beer, 1833, p. 238. 4. A description of the riots and rick burnings in Dorset in 1830 is given in *The Journal of Mary Frampton*, edited by H. G. Mundy, 1885, pp. 361-368.

5. The following is but a sample of innumerable contemporary resolutions: “That it is the opinion of the magistrates here present that, in villages and country places, the provisions of the Act (11 George IV, and 1 William IV. c. 51) have been productive of great inconvenience and injury both to the peace and good order and morals of the people. That in towns similar bad consequences do not appear to have arisen, but that, on the whole, the multiplication of houses for drinking beer on the premises has been productive of serious evil” (MS. Minutes, Quarter Sessions, Wiltshire, 5th April, 1831).

of beer-shops." "Every third or fourth house in some of the country towns," said the Bishop of Bath, "had become a beer-shop."

Petitions from Justices and clergymen, church-wardens and overseers, vividly described the horrors of the new trade—the tippling, the late hours, the noise and disorder, the indiscriminate intercourse of young and old and both sexes, the music and dancing, the gambling, the receiving of stolen goods or the proceeds of poaching, the filling of the prisons and the raising of the poor rates—and beseeched the House of Commons for an immediate repeal of the Act.<sup>1</sup> Brougham, Melbourne, and Althorp all admitted the weight of evidence against the new system, but they suggested that the country magistrates and clergymen were exaggerating; that the evils were local only, not prevailing to the same extent in the northern towns; that matters would right themselves in due time; and that the Government were not "prepared to abandon the principle of the measure, and to place again under any local authorities the choice of the places in which there should be houses for the sale of beer."

No amount of evidence as to the harm which the new beer-houses were doing could shake the determination of the doctrinaires. It was in vain that nearly all the Whig Government's won Commissioners—notably those who investigated the Old Poor Law and the Municipal Corporations—brought back to London the strongest testimony against the new beer-shops. It was useless for the first House of Commons Committee on Drunkenness in 1834 to report in the strongest terms against "the increased number and force of the temptations . . . by the additional establishment of places at which intoxicating drinks are sold," amount to "not less than one such place to every twenty families throughout the United Kingdom."<sup>2</sup> Practically nothing was done by the Whig Ministry to alter the law.

Our investigation into the licensing system thus ends, as it began, with the free sale of one kind of intoxicant. The student of contemporary accounts of the nineteenth century Free Trade in beer will find it easy to parallel, almost line for line and word for word, the contemporary descriptions of the previous experiment of the eighteenth century Free Trade in gin.

## THE AUTHORITY SYSTEM

(Sometimes called the Control Plan and sometimes, incorrectly, the Monopoly Plan)

As was said at the beginning of this chapter the Control Plan, Monopoly Plan or Authority Plan was brought into prominence in the Scandinavian countries in Northern Europe. This plan has been studied by many different bodies and many reports upon it are available. One of the best of these was that undertaken at the time when prohibition was about to be repealed in the United States in 1933 and when some system would necessarily be installed in each state following that repeal. This study was financed by John D. Rockefeller, Jr. It was carried out under the direction of Raymond B. Fosdick and Albert L. Scott, with the assistance of twelve associates as follows:<sup>3</sup>

1. Testimony to similar effect was constantly repeated all over the country. The chairman of the Cheshire Quarter Sessions in 1833, in charging the grand jury, pointed out "that the castle of Chester contained a greater number of persons for trial at the ensuing assizes than was ever known in the memory of man." He unhesitatingly attributed this "to the general demoralisation arising from . . . the pernicious effects of the Beer Bill . . . He had had repeated complaints against beer-house-keepers for allowing gambling in their houses; at such places farm-servants were plundered of their earnings, and offences were in consequence increased . . . So long as the beer-shops were permitted to remain, he feared they (the Justices) would be impended in their efforts to do anything for the benefit of the country" (Chester Courant, 31st December, 1833).

2. Report of House of Commons Committee on Drunkenness, 1834, p. iii.

3. Fosdick and Scott—*Toward Liquor Control*.—pp.14-16.

Mr. Leonard V. Harrison, of the Bureau of Social Hygiene, who visited Denmark, Sweden, Norway, Finland, and England, and who, more than any other one person, is responsible for the chapters on the systems of control; Dr. Luther Galick of Columbia University, Director of the Institute of Public Administration, whose expert knowledge of governmental practices has been of incalculable assistance; Mr. Everett Colby, who studied the situation in Russia and England, and who brought to our subsequent discussions an intimate knowledge of public life; Mr. Chauncey Belknap, whom we have consulted on legal questions; Mr. A. LeRoy Chipman, who spent several months studying the existing control plans in every Canadian province; Dr. Frank A. Ross of Columbia University, who studied particularly the history of liquor control; Mr. Frank B. Amos, who interviewed many prominent Americans, especially in the Middle West and South; Miss Elizabeth Laine, who worked on problems connected with existing legislation; Mr. Joseph F. Shadgen, who contributed generously from his store of knowledge of the actual business of manufacturing alcoholic beverages; Dr. Theodore Abel of Columbia University, who carried on a study in Poland, Germany, and Austria; Dr. Vittorio Racca of the Institute of Human Relations at Yale University, who surveyed the liquor control system of Italy; Mrs. Margaret Grant Schneider, who interviewed representatives of many groups, assisted in research work, and carried a heavy load of office detail; and Mr. Alexander L. Radomski, who served as a research worker in source material.

It was as a result of this study, published under the title "Toward Liquor Control," that 17 states in the American Union adopted in part the Scandinavian system. It may be interesting to note here that in the previous decade nearly all Canadian provinces had adopted this system in what was spoken of in Canada generally as the liquor control system. It still comprises a part of every provincial system in Canada.

## THE AUTHORITY PLAN<sup>1</sup>

State Management of the distribution and sale of all the heavier alcoholic beverages is the recognized alternative to the license system in states which decide to legalize the sale of liquor. There have been, and are in existence, various kinds of government management. The more widely known examples are the Quebec Liquor Commission and similar commissions in other Canadian provinces; the so called Bratt System of Sweden; the Norwegian and Finnish wine and alcohol sales monopolies; and the Carlisle State Management Scheme in England. To list these examples is to indicate the variety of terminology employed to describe government liquor monopolies. Though we have examined the more important plans in operation we shall not endeavour in this report to describe and analyze them. This has already been done so many times that repetition here is unnecessary. It is the purpose of this chapter to present a concrete plan for a state liquor monopoly applicable to American conditions, embodying ideas drawn from the best plans in operation; to compare this plan with the license system as a means of control; and to present our conclusions and recommendations.

### An American Liquor Authority Plan

By a state liquor monopoly we mean, in its simplest terms, a system by which the state government takes over, as a public monopoly, the retail sale, through its own stores, of the heavier alcoholic beverages for off-premises consumption. Foreign experience and our own analysis of the problem here and abroad indicate that such a system makes it possible adequately to meet an unstimulated demand within the limits of conditions established solely in

1. Fosdick and Scott—*Toward Liquor Control*—pp. 63-68.

the interests of society. The state organization in charge of such a system might properly be called the "State Alcohol Control Authority." Hereafter in this chapter we shall speak of this organization as the Authority. In the following pages the tasks and appropriate powers of this new organization are outlined in some detail, so that the idea behind the plan may be completely understood.

### **Scope of the Authority's Task**

The primary task of the Authority would be the establishment of a chain of its own retail stores for the sale of the heavier alcoholic beverages by package only. These stores should be so located as to meet normal demands without violating any desires of individual sections of the state to have no such stores in their localities. At the present time, we believe, it is neither desirable nor necessary for the state to assume similar management of the manufacturing side of the trade. Virtually all the individual and social evils of the liquor traffic arise from an inadequately regulated and over-stimulated retail sale. The supplies that the Authority needs in its stores it can readily purchase direct from the manufacturers. From an administrative standpoint, also, manufacturing is complicated and requires capital and skill, while retail distribution is, in comparison, simple. It would be necessary for the Authority to place under regulation all manufacturing and all transportation (so far as it is legally permissible) and to require a complete record of production and shipments. The Authority would also be the official agency for gathering facts and making studies bearing on the liquor problem, on its own administration and on related matters.

In order that the functions to be performed by the Authority may be definite, it is necessary that they should be specifically enumerated in the laws and that appropriate rights and powers should be conferred.

### **Powers of Authority**

On the basis of experience elsewhere, the following powers would be necessary for the discharge of the Authority's responsibilities:

1. The exclusive right within a state to sell or control the sale of all alcoholic beverages which contain spirits; all wines known as fortified wines, the alcoholic content of which exceeds that produced by the natural fermentation process; and all fermented products, such as beers and ciders, containing more than 3.2 per cent of alcohol by weight.
2. The right to lease or own and to operate retail shops for the sale of those beverages by the package to the ultimate consumer for off-premises consumption, except that the Authority should be bound to abide by the decision of communities which vote to exclude the retail sale of any or all alcoholic beverages under local option provisions.
3. The right to lease or acquire by purchase or condemnation and to operate warehouses, blending and processing plants and other facilities as may be required.
4. The right to fix prices on its goods and to change prices at will.
5. The right to establish in its discretion a system of personal identification of purchasers.
6. The right to establish regulations and to issue permits to owners or occupants of establishments to sell beer and naturally fermented wine or cider in sealed bottles or containers for off-premises consumption.
7. The right to establish regulations and to issue permits to hotels, restaurants, clubs, railway dining cars, and passenger boats, for the sale of beer, with or without meals on the premises.<sup>1</sup>

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1. As a matter of economy and convenience, the law should enable the Authority to grant holders of these permits the right to purchase the permitted alcoholic beverages directly from the producers or from producers' agents, provided the Authority is empowered to require a complete reporting to it of all such direct purchases.

8. The right to require private business concerns to certify the quantities of alcohol and alcoholic beverages manufactured in the state, and the amounts shipped into, within, and from the state, regardless of the purposes for which used; this to be worked out in co-operation with the federal government.
9. The power to hold hearings on complaints about matters in dispute, including the power to subpoena witnesses and records and to make binding decisions.

That these are broad powers there is no denying. But powers as extensive have been conferred on similar bodies in jurisdictions where the democratic principle is as strongly entrenched as it is with us. In handling a problem as hazardous as the liquor trade, a broad grant of power, under ultimate legislative control, is the only effective method.

It is to be noted that no reference is made in this list of powers to the sale of heavier alcoholic beverages by the glass for on-premises consumption. Such sale is inevitably fraught with danger to the public interest. It is our hope that a generous provision for the on-premises sale of beer and natural wine, together with the sale of stronger beverages by the package in the Authority's shops, would be accepted as adequate in most jurisdictions by a preponderant majority of people.

### **Disposition of Profits by the State<sup>1</sup>**

The profits of the Authority would, of course, be large. Wherever liquor sales monopolies have been established, or suggested, the proposal has appeared to " earmark " at least a portion of these profits for temperance education or other purposes. With this proposal we are in disagreement. We are convinced that no social activity of the government should be financed by specially designated taxes. Temperance education, charities, old-age pensions and any other welfare work should find their support in the general funds of the state in proportion to need and in competition with other demands. The profit policy of the Authority should be determined as a means of progressive liquor control, without regard to the revenue needs of hospitals, old-age pensions or temperance education. Earmarking of revenues is contrary to sound public finance. The profits of the Authority, therefore, should go directly into the state treasury without designation for any particular purpose.

### **South Carolina Liquor Dispensary Plan**

The South Carolina Liquor Dispensary Plan which was in operation from 1892 to 1906 is often referred to as though it were a state liquor monopoly essentially similar to the Canadian, the Norwegian, and the Swedish systems, or to such an Authority plan as we have outlined above. In spite of superficial similarities, nothing could be further from the facts. The South Carolina plan did not eliminate the profit motive from retail sales. The salaries of dispensing agents were made to vary with the amount of business done.<sup>2</sup> Moreover, these agents were in reality licensees, resembling private dealers under a license system. On approval of their applications, they received a " permit to keep and sell " alcoholic beverages supplied by the state board. This permit was limited to a single year. The South Carolina plan made no effort to sever the central management from state politics. From 1892 to 1896 the state board of control was constituted of three elected state officials *ex officio*,<sup>3</sup> and from that time until 1904 the Board and its executive officer

1. Fosdick and Scott—*Toward Liquor Control*—pp. 74-93.

2. Committee of Fifty, *The Liquor Problem in Its Legislative Aspects*, by Wines and Koren, p. 168.

3. The Governor, The Comptroller-General and the Attorney-General.

were elected by the legislature. As a result, from its inception, all appointments, especially of dispensers, were on a political spoils basis. "Party exigency was the father of the dispensary act." Indeed the act was put forward in the first instance by the enemies of temperance and was adopted for the purpose of heading off state-wide prohibition. It was operated not as an instrument of social control but as an adjunct of "Pitchfork" Ben Tillman's political machine. Geared by law, as it was from the beginning, into current political controversies, and with its management placed in the hands of elected officials, no other result could have been expected. During the last five years of its operation, the control board frankly tolerated the existence of speakeasies, provided they purchased their supplies from the state. In spite of this and many other defects in the plan, there is testimony of its temporary success in reducing drunkenness and crimes connected with the use of liquor. But in the end it was a failure.

In summary, the South Carolina Liquor Dispensary Plan was a state monopoly of the wholesale trade, grafted upon a scheme of local liquor licenses and of officially recognized, though illegal, speakeasies. The state board of control was welded by statute to the political system and the state bureaucracy, while the retail end of the trade was based directly upon private profit. It is thus evident that the South Carolina plan is in no way comparable to the state Authority plan which we have just outlined; and those who would dismiss the Authority idea because of its alleged failure in South Carolina would be well advised to study the fundamental divergencies.

### The State Authority vs. The License System in Operation

The test of all plans is in their practical operation. It is not possible to compare American experience under a license system, with experience under a state alcohol authority, because no American state has ever operated under the latter plan. Experience abroad, though suggestive, is, because of marked differences in social conditions, far from conclusive. Perhaps the most nearly comparable is the Canadian experience, under which in eight of the nine provinces both prohibition and license have been abandoned in favor of the state monopoly system. Our own careful investigations in Canada indicate that these systems are working with reasonable success. Although the Canadians have by no means solved all the difficulties, they are making a distinct and intelligent progress. We found in Canada widespread approval of the underlying idea of state monopoly. Few desire to return to the license system.

Let us examine more specifically the inherent points of strength and weakness in the public monopoly and private license plans in dealing with such matters as sales stimulation, advertising, price control, character of liquor sales, shops, temperance education and liability to graft and corruption.

It should be observed, first of all, that the objective is the same under both plans, namely, to place the sale of liquor under a series of restrictions devised to curtail excessive consumption. The only difference lies in the method of achieving this object. The licensing system endeavors to establish these controls through *negative* rules, regulations, conditions and taxes, *imposed from without*, upon *private* enterprise, which necessarily is conducted for *personal profit*. The State Authority plan endeavours to impose these controls through *positive management* from *within a public enterprise* conducted for the *benefit of society*.

### Sales Stimulation

In what way do these differences in method of control affect the problem of sales stimulation? The answer is obvious. Under a state monopoly system

the liquor would be sold directly by the state through a chain of stores and the profits turned into the state treasury, and that would be the end of it. No individual connected with the retail sale would gain one penny by reason of his sales, nor would his employment be imperiled if he failed to show good sales returns, as might be the case in private trade. In harmony with the underlying principle of the Authority, the salaried employees waiting on the customers in the various state stores would be under strict supervision not only to see that there was no encouragement of the sale of liquor, but to make sure that no beverages were sold in violation of the letter and the spirit of the regulations.

Under the license system, on the other hand, competing private dealers are under constant temptation to build up their sales and profits. The issuance of liquor licenses to private dealers presupposes the right to make a living by the sale of liquor. Since his livelihood is at stake, the private seller always has been, and always will be, interested in sales, and in nothing but sales.

## **Advertising**

Advertising artificially stimulates the demand for alcoholic beverages. Though beer has been legalized only a short time and spirits are not yet legal, we are already overwhelmed with the skillful, persistent liquor advertisements of the modern sales psychologist. This is but a foretaste of what is ahead of us. All this is inconsistent with any idea of restricting the sale of liquor to an unstimulated demand. Although we have made a number of suggestions in the previous chapter, it is frankly difficult to see how, in the long run, such advertising can be definitely eliminated by state law under the license system. There are too many loopholes, too many indirect methods of advertising, too many national journals and broadcasting stations. Under the Authority plan, the opportunity for control of advertising is far greater. Indeed it could be practically eliminated if the public interest so demanded. In any event, the Authority could draft an advertising code and force its acceptance, either through refusal to buy from manufacturers who violated it or through a selective increase in the retail price of the products of an offender.

## **Price Control**

The retail price level of alcoholic beverages not only determines profits, but also has a direct bearing on the amount of consumption and on the problem of the bootlegger. The prospective consumer desires a low price. The producer also wishes to set comparatively low prices to attract trade. The law enforcement officer is concerned lest extremely high prices of liquor encourage the bootlegger to undersell with his untaxed or adulterated products. The prohibitionist generally is on the side of high prices, for he believes that if liquor is expensive it will be placed out of the reach of many persons. The tax-levying authorities are not directly concerned with retail prices, but are eager to have large revenues.

Here is a knotty tangle of interests in the price of alcoholic beverages. Much, of course, will depend upon rates of taxation, and we are devoting a later chapter to this subject. But inasmuch as the retail price of liquor is a central factor in regulating both legal and illegal consumption, the Authority can use its price-making power as one of its most effective instruments of control.

Rhode Island has enacted a law giving to its Licensing Board, called the Alcoholic Beverage Commission, power "to fix the wholesale prices of all such commodities (beverages) to be sold within this state or to be imported or brought into the state or exported therefrom, and to raise or lower such prices

in whole or in part from time to time," etc. This legislation recognizes the crucial importance of regulating price; but one may doubt whether Rhode Island has proposed a workable method of accomplishing the result. It is not likely that a state liquor licensing board can exercise power to fix prices without running afoul of the strongest kind of opposition and interference from the private business interests involved. If prices are raised, those with stocks on hand will reap unearned profits; if they are lowered, losses will ensue. Under such conditions private dealers will not be inclined to stand idly by, nor will the public accept as reasonable a system which gives fortuitous profits or losses to individuals. We anticipate, moreover, in connection with this type of legislation, a veritable field day of court actions. At the very least, between the licensing board and the private dealers a state of war will inevitably develop into which the legislature will be drawn.

In contrast, consider the Alcohol Control Authority's position. The Authority could fix prices without the slightest opposition from private business interests because the Authority would own the liquor. Through price control it could within limits modify sales volume at will. On the basis of results it could, if need be, change the prices again. It would even be possible for the Authority to sell certain products at a price below what would show a profit, if this step were thought expedient as a measure for promoting temperance through a change in drinking tastes. The Authority would be equally concerned with defeating the bootlegger and with avoiding the stimulation of consumption which might follow too low a level of prices. The price of liquor is thus seen as a two-edged sword, but to avoid disaster the wielder of it must have exclusive possession of the hilt.

### **Charter of Liquor Sales Shops**

The surroundings in which liquor is sold have a great deal to do not only with the use and abuse of liquor, but with the community's attitude toward alcoholic beverages. The State Authority, having in mind a social rather than a profit objective, could set high standards in the physical character of its sales outlets. If the same thing were attempted under the license plan, it would have to be done by means of rules and regulations, or legal provisions which the state would endeavor to enforce through the police. The private dealer would, as in the past, seek to avoid, through subterfuge and influence, such invasions of his liberty.

What shall we say regarding the other regulations which might be imposed under a reformed licensing system, including such matters as the limitation of dealers to "responsible persons who have not been convicted of crime"; the limitation of the number of licensed places; limitations on business methods and limitations on the hours of sale? Under the Authority plan all these matters could be handled with far greater ease and probability of success. Consideration would be given to an effort to find efficient, reliable and loyal employees, not to the question whether criminals were excluded from the trade. The pressure of applicants to enter the retail business would disappear. Stores would be established only when and where they were needed. Business methods would not be a problem of outside and distant control; they would be matters of inside management. In brief, with the elimination of the private profit motive most of the old difficulties would be removed.

### **Adaptation to Local Sentiment**

While the liquor business of the future will be governed by state-wide policy, it should be adapted to meet the local sentiment of small sections and communities. This may in part be accomplished through "local option" in



accordance with the suggestions already made in Chapter IV. These same suggestions apply to the operation of the Authority plan. But this adaptation to local preferences is, in our judgment, far from adequate to meet local needs and desires, without resort to political campaigns and controversies.

The State Authority could, in fact, go further than the strict local option law by establishing, at the request of particular neighborhoods, dry zones within areas which voted as a whole to permit the sale of liquor. A city of 20,000 inhabitants, let us say, might vote to legalize liquor sales by only a small margin. Is liquor selling to be forced upon those areas of the city which are strongly opposed to it? Again, if the local option voting is on a county-wide basis, a city might vote wet by a large margin and thereby prevail over the dry sentiment of surrounding rural territory. Divisions of this sort are bound to be common; the majority vote, though determining the issue under the letter of a local option law, would, nevertheless, provoke much discontent in certain communities within the cities of countries involved.

The Authority could take these differences of opinion into account and in its own administrative discretion could meet the opposing views of lesser communities existing within the larger voting unit by declining to locate shops for the sale of liquor in those neighborhoods. Obviously, the Authority would, under no circumstance, place its shops on the border line of a dry area. This whole problem of border lines, so difficult to control under license, would disappear.

If community sentiment should turn against local sale of liquor after a period of trial, the Authority's shop could be closed merely by the signing of an executive order. There would be no wholesale or retail dealers to protest and demand compensation. Whatever loss might be involved would be absorbed in the Authority's total profit and loss account. Elimination of licensed private liquor-selling establishments, on the other hand, would result in serious financial loss to the individual seller and therefore, as in the past, would be the cause of frantic protest and political wire-pulling.

The Authority is conceived as an instrumentality for governing the sale of liquor in places where the majority of the people demand the purchase of it, and not as an institution anxious to extend its sphere wherever business may be obtained. The whole emphasis of the Authority system is on limiting the sale to unstimulated demand and not on sales promotion.

### **Package Sale in Dry Areas**

At this point mention should be made of the importance of permitting a State Authority to ship liquor by mail or express to persons living in dry areas, wherein retail shops are excluded by local option vote. This right of purchase is required primarily as a measure to suppress would-be bootleggers, but it has a secondary significance in that it would satisfy those who otherwise would be uncompromising opponents of the prohibition of liquor selling in their community. If the Authority were denied the right to fill orders in this way, a person living in dry territory would either go to a place where liquor is sold and there purchase what he required or he would have some other person make the journey for him. Naturally, the bootlegger would be the one most readily available to run the errand. Indeed, bootleggers are habitually foresighted and run their errands in advance. As a Norwegian official put it: "The bootlegger is always there even though the liquor shop is not."

### **Danger of Politics and Corruption**

From an experience that is all too painful we are aware of the dangers of political influence and corruption under the license plan. Are these dangers not equally great under a State Management system? We think the answer

can honestly be given in the negative. This opinion rests in part on experience elsewhere with state alcohol monopolies and in part on the revolutionary change which the elimination of private profit in retail sales brings into the entire situation. Politics and corruption entered the license system primarily because liquor dealers attempted to maintain and expand their sales. Licensed liquor dealers, driven on by the struggle for existence, endeavored to manipulate votes through every means, legitimate and otherwise. Corruption was almost inevitable. The license system turned loose a large number of individuals scattered over the state, particularly in the cities, each the centre of a continuous endeavor open and secret, to protect and extend his business. This was especially true in regions where the pressure to establish dry areas by local option was strong. Under a State Authority, the entire foundation is changed. Instead of a mobilized army of opposition to restriction of liquor selling, there is substituted a force of clerks, under chain-store accounting systems, who have nothing to gain from expanded sales.

Politicians will still be eager to control the patronage, and in some cases to determine the wet and dry areas, but they will not be able to lay their hands upon the profits. Under the Authority plan the entire responsibility for honesty and efficiency will be concentrated upon the Board of Directors and the Managing Director. There is, of course, no guarantee against dishonesty and abuse in any system; but the external regulation of recalcitrant private enterprise is clearly a more difficult task and more subject to graft than internal management by a responsible authority. This is doubly true of the liquor business.

## Summary

On the basis of past experience in the United States and abroad and the practical considerations we have just reviewed, we have come to the conclusion that the most satisfactory solution of the problem of alcohol requires elimination of the private profit motive in the retail sale of liquor. This cannot conceivably be accomplished under a license system, however rigid and well enforced. If we sincerely wish to meet only an unstimulated demand for alcohol, we can no longer leave to any individual a private stake in its retail sale. There is in the licensing of the private selling of liquor an irreconcilable and permanent conflict with social control.

The time is ripe for a change. Thirty years ago when the Committee of Fifty wrote its report,<sup>1</sup> it was far more difficult than it is today to conceive of the government participating in business. One objection to the South Carolina Dispensary Law, which came to its ill-fated end in 1906, was based on the fact that it was supposed to be "socialistic." Today this objection carries little weight. We have grown into a new age, and governments—national, state and municipal—have embarked on all types of business ventures to a degree that would have been impossible in the early years of the Twentieth Century. From the standpoint of the theory and practise of government there are plenty of precedents for this new type of liquor control. Governmental agencies own and operate bridges, tunnels, irrigation projects, power developments, shipping and a dozen other types of enterprise. To take such a step today in relation to liquor control is a far less different wrench than it would have been even a short generation ago.

Nor is the objection that the Authority Plan puts the government into the liquor business a valid one. It is based largely on emotion rather than on a realistic facing of facts. For better or for worse, the liquor business is here. The private profit motive by which sales are artificially stimulated is the greatest single contributing cause of the evils of excess. It can be eliminated

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1. The Liquor Problem—a Summary of Investigations Conducted by the Committee of Fifty, 1893-1903, p. 74.

most effectively by state control. A compromise with any system of licensing is a halfway measure out of which at best only partial success can be brought. To insist on some arrangement that will minimize all the dangers of over-indulgence, and at the same time to oppose the State Authority, is to be guilty of an inconsistency which cannot be justified on any logical or realistic grounds.

Moreover, the government always has been identified with the liquor business. For centuries it has regulated it in minute detail and has shared its profits through taxation. It has determined how and when liquor may be sold, the circumstances under which it may be sold, and the quality that may be sold. Such functions are inherent in every type of license regulation. To argue that the government can take no further step in the direction of control without giving the liquor business its endorsement and blessing is indefensible. The purpose of governmental activity in carrying out this purpose cannot be circumscribed by lines so artificially drawn.

We prefer the Authority plan because we believe that if given a fair and honest trial it stands a better chance of success than any other plan we have examined. This does not mean, however, that we regard it as an automatic cure-all for the evils associated with liquor. Nor do we offer it with a warranty that it is foolproof and will succeed under any conditions. It will not work under a regime of mismanagement and maladministration. Bad management and corruption are very real dangers. There will always be on hand certain representatives of the liquor interests, politicians and "fixers", eager to get control of the Authority in order to influence its policies and to further their own ends. There is no sure protection against such persons other than an alert public opinion focused upon a simple and responsible form of governmental organization. The proposed plan meets these requirements: It is simple in organization, it has direct lines of authority, and it is flexible enough to insure the making of changes, within the discretion of the directors, as experience points the need.

Now is the time to act if the State Alcohol Authority plan is ever to be tried in the United States. For this there are two convincing reasons: first, there is at present no legal private trade to be dispossessed; second, in the coming conflict with the bootleggers unity of command along the entire front—economic as well as legal—is half the battle won.

In summary, the principal merits which we conceive to be inherent in the State Alcohol Control Authority plan are these: It would effectively stifle the profit motive for enlarging liquor sales beyond a minimum demand. It would facilitate the control of advertising. It would provide freedom of action in regulating prices and conditions of sale, both as a means of checkmating the illicit dealer and as a method of curtailing the use of spirits. It would eliminate the saloon. It would minimize opportunities for the encroachment of political interference. It would keep clear the road for temperance education.

If this plan is adopted and honestly and competently administered, it should give a maximum degree of protection against the revival of age-old abuses known to licensed regulation, and against the more recent evils of a traffic unregulated by government and managed by law violators.

## THE COMBINATION OR INTEGRATED SYSTEM

As was explained earlier, this name has been applied here to the system largely used in the Canadian provinces and in 17 states of the American Union, because it comprises some features of each of the systems previously discussed in this chapter.

There follows first a brief discussion of liquor control in the United States and Canada. A brief but detailed outline of the system followed in each of the nine provinces other than Manitoba and each of six states and the District of Columbia in the United States will be found in Chapter XIV.

## United States

Although the early colonists in America brought with them English drinking traditions, they early found that two special problems faced them, the Indian and the indentured servant. The attitude towards Indians has ranged from an absolute prohibition of alcohol to him because of his uninhibited propensity to drink and to get drunk to a treatment of him as an equal entitled to all the comforts God allowed men, including wine. For economic reasons intoxicating beverages were generally forbidden to servants and apprentices.

When the American colonies became involved in the revolutionary struggle, two new problems arose. First was the matter of drinking among the soldiers which was alleviated by action on the part of Washington himself in urging curb on drinking in the army and by widespread distribution of literature dealing scientifically with the effect of alcohol. The second matter was the need of revenue, which was met in part by Alexander Hamilton's policy of obtaining large sums from a tax on distilled liquors. While the action of Thomas Jefferson during his presidency completely wiped out Hamilton's accomplishment, the excise tax was gradually reinstated and extended and is an established part of federal liquor policy. While its prime purpose was to garner income for the government, the collection of the tax has always served as one system of control, keeping out the totally irresponsible elements from manufacture and imposing certain restraints upon all. In the present century the very high tax on distilled liquor has been sumptuary in nature, i.e. it has been directed at discouraging the consumption of distilled beverages. It should be noted that in a pioneer country the excise tax was exceedingly unpopular and was considered in many states as infringing man's natural right to make his own liquor. In the South at present the "revenue" is regarded as not only an enemy of a man doing what he has every right to do, but he is seen also as representing the hated federal power.

The early nineteenth century saw the beginning of the long fight which finally established license control at state and local levels throughout the country. But the excesses everywhere were great and often a matter of grave public concern. In 1846 Maine enacted a weak state prohibition law, which was followed in 1851 by the famous Maine Law establishing total prohibition in the State. This law was the inspiration of the greatest part of prohibition thought in the United States, Canada, and throughout the world in the late 19th and 20th century.

The whole picture of liquor legislation in the United States up to the National Prohibition experiment was well summarized by Fosdick and Scott in the study they made under Rockefeller sponsorship:

Liquor legislation in America presents a bewildering picture of shifting public sentiment and vacillating policies. The pendulum has swung from one extreme to another; reaction from a particular experiment repeatedly has carried succeeding legislation far

in the opposite direction. Laws have been hastily and immaturely conceived, and new experiments have been cramped by minute legislative restrictions and handed over to the tender mercies of the spoils system, making success under any circumstances impossible.

There are but few instances in America in which scientific consideration or long and patient study by experts has been given to the ends desired, the issues at stake or the principles involved. Makeshift and improvisation have far too often been the tools employed. Public irritation and impatience have greeted the progress of each new system of control and, frequently, before the system has had an opportunity to prove itself one way or the other a new system has been devised and put into operation.

In four different periods in her history Iowa had some form of state-wide prohibition, alternating with license systems of one type or another. Rhode Island swung from license to prohibition and back again three times in less than forty years. A century of liquor legislation in Massachusetts can be broken up into the following approximate periods: twelve years of stringent license, eight years of qualified prohibition, sixteen years of the so-called "Maine type" of prohibition, one year of high license with local option, a six-year return to modified prohibition, thirteen years of low license, eighteen years of high license, twelve years of high license with local option, and finally prohibition.

The same kind of kaleidoscopic change characterized the employment of the license system. At one time or another in the various states—and often in a muddled relationship—every kind of licensing device and expedient has been attempted: high license fees, low license fees, segregation of licenses in relation to residences, schools and churches or restriction in fixed ratios to population, and an almost limitless variety of classifications of licenses. The county dispensary method has also been tried; indeed, during the last decade of the 19th century and the first few years of the 20th, it made rapid headway, particularly in the South, only to be overwhelmed by the third tidal wave of the prohibition movement. Similarly, South Carolina for fourteen years carried on a limited and unsatisfactory experiment with the state dispensary system. South Dakota for two years had legislation providing for such a system, but no dispensaries were actually established.

Not only have the policies themselves been subject to rapidly shifting changes but the methods of administration as well. Checks and balances and ingeniously conceived restrictions, state excise boards, county excise boards, municipal excise boards, judicial boards, local option plans or confused combinations of several administrative ideas and principles—all these have been the product of uncertain and bewildered legislatures, harrassed into believing that somewhere or in some fashion there could be found or developed a legal device which would completely solve, once and for all, the problems of the liquor trade. It was this search for a cure-all that brought us the Eighteenth Amendment. Here at last was a magic formula, a simple solution, by which, in relation to more than 100,000,000 people, age-old evils could with one stroke be eliminated.

(from "Towards Liquor Control,"

by Raymond B. Fosdick and Albert L. Scott.)

In 1933 the national government, in undoubted accordance with the will of the majority of citizens declared prohibition to have been a failure. That it had failed of enforcement at that time must be admitted as well as the fact that a widespread lawlessness and gangsterism had arisen in association with the effort to enforce it, whether as a necessary consequence of that effort or not. On the other hand certain incontrovertible gains to public health and welfare and to the national economy also rose from prohibition, and these cannot be dismissed in any honest effort to evaluate the experiment.

National prohibition became effective in 1920 and continued until 1933. With the repeal of prohibition in that year it was necessary for the various states to enact laws for liquor control. The result has been a great variety of systems. Roughly it can be said that two states (Oklahoma and Mississippi) have state prohibition and all but eight have prohibition areas under local

option; 17 states have monopoly systems comparable to the Manitoba system; 29 states have a variety of licensing systems under state and local control. As is well known, each state, like each province, has practically complete jurisdiction over the manufacture, sale, and consumption of liquor within its boundaries. A detailed discussion of the liquor laws and liquor administration in each of six representative states and the District of Columbia (Washington) will be found in Chapter XIV.

## Canada

Canadian regulatory laws begin with restraint on the sale of liquor to the Indians. Since they were unfamiliar with alcoholic beverages and had no established drinking habits, the Indians fell ready victims to liquor, drinking with the express purpose of becoming intoxicated, and liquor was used by unscrupulous men in trading with them. Louis XIV in 1657 and 1663 issued edicts prohibiting the sale of liquor to the Indians. Pere de Rochemontaix, in a history of "The Jesuits and New France in the Seventeenth Century," claims that drunkenness among the Indians was the consequence of the English capture of Quebec in 1629; but it seems likely that unprincipled traders of both nations were guilty of employing alcohol in trade. The French efforts at restraint were sufficiently severe for they provided both fines and whipping as punishment. Moreover the Church added its vigor by attaching the punishment of excommunication to the offence. The liquor interests, however, were able to make their interests felt with the civil authorities, and the remaining years of the French reign saw continual conflict between Church and State on this matter. While there were a number of periods of considerable restriction, there were also times when liquor excesses among the Indians were indescribably dreadful.

By the Treaty of Paris, 1763, the whole of Canada was ceded to the British. Their first act was to establish the liquor trade as a source of revenue, with a discriminatory tax against liquor not from Great Britain or British Colonies. It was not until 1777 that an ordinance was passed to prevent the sale of strong liquors to Indians in the Province of Quebec. The rule of the English also established the license system for public houses and for other sale of liquor, with the varying restrictions that tend to accompany it.

The following summary of some of the control laws up to the time of the passage of the Maine Law is taken from Ruth Elizabeth Spence, "Prohibition in Canada":

### UPPER CANADA

- 1792—It was provided that no license be given to retail liquor in the jails or prisons.
- 1793—An additional fee of 20s. currency was added to the license fee.
- 1794—A duty was levied upon stills. The license for the still permitted the sale of liquors in more than three-gallon quantities. A person might not be licensed at the same time both to distill and to sell retail.
- 1794—Power was given to magistrates to limit the number of licenses. Thus a considerable time of each Quarter Session was taken up with the consideration of applications for licenses.

- 1796—A penalty of £20 was imposed on a keeper of a public house for selling without a license, one-half of which was to go to the informer and one-half to the public treasury.
- 1797—No person, whether keeper of a public house or not, was allowed to sell liquor in quantities of less than three gallons without a license.
- 1800—Provision was made for the summary conviction of persons selling without a license.—An Act was passed which forbade the sale by licensed retailers of smaller quantity than one quart.
- 1801—An Act was passed which prohibited the sale or barter of rum in the tract of land occupied by the Indians on the River Thames in the West District. This measure was the result of a petition presented to the Governor, Council, and Representatives on June 18, 1801, by G. S. Oddell, C. J. Denkey, and Michael Young, missionaries to the Indians, sent by the Episcopal Church of Moravians, who prayed for permission to introduce religion among the Indians of that district and also for the prohibition of the sale of liquor among the Indians.
- 1803—An Act was passed providing for appointment of inspectors to issue licenses and collect the revenues derived therefrom.
- 1813—An Act permitted the Provincial Government to prohibit the exportation of grain and other provisions, and also to restrain the distilling of spirituous liquors from grain.
- 1814—The license fees were increased for stills, shops and taverns.
- 1818—Magistrates were empowered to make regulations for the conduct of tavern-keepers. They were directed to inquire into the life and character of the applicants for licenses, and to grant them to "such persons as are sober, honest, diligent, and good subjects of our Lord the King." The *Queen's Quarterly*, Kingston, in October, 1901, printed an account of the Quarter Session from March, 1815, to December, 1818. It is here recorded that among the first regulations made under the law of 1818 were the following:
1. Unlawful games were prevented.
  2. Good order and rule were to be kept in the houses.
  3. Innkeepers were forbidden to sell liquors, except for the use of travellers, after ten o'clock at night in the winter and nine o'clock in the summer.
  4. They were not to sell on Sundays except to sick persons and travellers.
  5. They were to prohibit any tradesman, laborers, or others abiding in their homes longer than an hour in the daytime, in order to drink and tipple.
  6. Every innkeeper was to possess an enclosed yard and shed for the accommodation of travellers and their carriages.
- 1818—An additional duty of £5 was added to the fee for shop licenses. Distillers who had taken out licenses to distill might sell without further license.
- 1821—Licensed tavern-keepers were permitted without further license to retail liquor to be consumed outside their houses.
- 1823—An Act required that licenses should be taken out for the sale in the villages of beer, ale and cider, and other liquors not spirituous.
- 1824—After June 1, 1824, and after January 5 in every ensuing year, every shop-keeper selling spirituous liquors by wholesale was required to take out a license and pay £5 therefor.
- 1832—An Act required that licenses should be taken out for selling liquor on steamboats, the revenue therefrom to be applied to the improvement of public highways and bridges. £2 was added to the license fee.

- 1834—The consumption of spirituous liquors was forbidden in shops or buildings of which the shops were a part.
- 1836—Proceeds of fines were to be expended on the highways. No part of the fine was to go to the informer.
- 1840—One-half of the fine was to go to the informer.—The Indians at the Grand River, Credit, Muncey, and the places petitioned that the sale of liquor to the Indians be prohibited. Thus, in 1840, an act was passed prohibiting the sale, barter, exchange, or giving to any Indian, man, woman, child, of any spirituous liquor in any shape, manner, or way. A fine of £5 or one month's imprisonment was imposed upon any person supplying spirits to a prisoner in jail. An Act appropriated all moneys arising from the granting of licenses and fines, for the general use of the province.

#### LOWER CANADA

- 1795—Licenses for keeping houses of public entertainment, or for retailing liquors in quantities of less than three gallons at a time, were to be taken out and renewed annually. The fee was to be £2.
- 1799—Keepers of public houses within cities and parishes of Quebec and Montreal were required to pay £2 to road treasurers for keeping the streets in repair.
- 1805—The sale of wine and spirits was prohibited on Sunday, except for sick persons or to travellers with meals.
- 1839-1840—Licensed tavern-keepers were required to post a notice conspicuously in their houses; licenses were to be forfeited on conviction for keeping a disorderly house; and persons selling malt liquors without a license were made subject to a penalty.
- 1840-1841—An Act forbade grocers to retail spirits in quantities less than three half-pints, under penalty.  
Another Act gave the Governor of the Province power to grant licenses to persons who had failed to obtain the required certificates.

#### UNITED CANADA

- 1842—An Act imposed duties on distilleries in the part of the province which had been Lower Canada.
- 1845—The Legislature of United Canada enacted that the revenues derived from liquor licenses should belong to the municipalities.
- 1847—The municipalities were empowered to increase the license duties.
- 1849—The municipalities in that part formerly known as Upper Canada were empowered to make liquor laws for regulating houses of public entertainment, or sale of liquor, to limit their number, and to provide for licensing them where there is no other provision for such. The proceeds were to go to the public fund of the corporation.
- 1850—Tavern-keepers were subject to fine and imprisonment in case accidents happened to intoxicated people to whom they sold liquor. Also the Legislature placed local licensing power in the hands of the church warden, the senior magistrate and the senior militia officer, thus providing a sort of local option.  
Another Act provided that no spirituous liquors should be furnished to Indians.  
There was passed "An Act for the more effective suppressions of intemperance." Its provisions were:

1. The license certificates for the sale of intoxicating liquors were granted by the senior magistrate of the locality, the senior officer of the militia of the battalion of the place where the hotel was to be kept, and the church warden in the office. In case of disagreement, the signatures of any two of them were sufficient.



2. No certificate for tavern licenses might be granted unless the applicant proved, by a requisition signed by the magistrate of the municipal electors, that a tavern was necessary at that place.

3. The applicant must hold real or personal property and must provide two sureties of £50 each and his own at £100. He must have certificates from two justices of the peace or from ten municipal electors that he was of unblemished reputation. If all these conditions were filled, the Governor would grant the license at a fee of £10 currency.

4. The penalty for intoxication was arrest, with fine or imprisonment.

5. For a license in a town or city, it was necessary to secure a petition signed by six magistrates or by twenty-five electors, stating that the tavern or shop was necessary. Gambling was strictly prohibited under penalty of £10.

1851—The second license law of Quebec was passed, entitled "An Act to make better provisions for granting licenses to keepers of taverns and dealers in spirituous liquors in Lower Canada, and for the more effectual repressions of intemperance." This act forms the real basis of the present license law of Quebec Province, all the main provisions of which are to be found in it. It fixed the license fee, specified the qualifications of license holders, and regulated the hours and conditions of sale.

1853—The law was amended with regard to Quebec and Montreal. In these cities the consent of fifty municipal electors of the ward was necessary for the issuing of the license.

Prohibition in the State of Maine had started in 1846 under the leadership of General Neal Dow, and after a series of amendments took by 1858 the form in which it was to exist for many years. As a result of the agitation in Maine, a like feeling for prohibition arose in New Brunswick and a prohibition law became effective there in 1856. Although it had been passed with wide popular support, its enforcement was fought bitterly, especially by the United Empire Loyalists, who came to New Brunswick with strong English traditions. In a short time the government fell on the issue of the law, and the new government repealed it at once. Similar agitation took place in Nova Scotia, where a certain degree of local option existed. A prohibition law having wide support was referred to the committee of the whole house on March 15, 1854, but it was defeated by a memorable speech made by Hon. Joseph Howe. Efforts to effect the passage of similar laws in the next few years were completely defeated by the example of what had happened in New Brunswick.

Similar prohibition agitation took place in Canada proper. As a result in 1853 local option became effective in Upper Canada and two years later in Canada East also. In 1859 Sunday closing was made law in Upper Canada. In 1864 the Dunkin Law was passed by the Union Government. This imposed new and severer restrictions on the method and amount of sales. It, furthermore, provided new ways of exercising local option:

- (1) The municipal council might pass local option without submitting the matter to the electorate; or
- (2) Thirty electors might demand a poll at which voting should be in the open!

The enforcement of this law was regularly defeated on the grounds of various technicalities by those who opposed it. The forces on both sides took the field openly, and in many cases the polling led to minor violence.

As early as 1860, the Province of Ontario had limited the number of licenses allowed. In 1876 the Crooks Act placed Ontario licensing in the hands of the provincial government but made allowance for further restriction in the number of licenses by the municipalities.

The Dunkin Law was never entirely satisfactory, and it applied only to Quebec and Ontario, although after Canadian Federation requests came from Prince Edward Island, New Brunswick, Nova Scotia, Manitoba and British Columbia to be included. Accordingly in 1873 the matter was referred to a select committee of the House. In May 1873 this committee in a second report state that traffic in intoxicating beverages was an unmitigated evil and that inquiry into the Maine Law had convinced them that such a law would mitigate the evils though it would not entirely remove them. A committee of the Senate upheld them in very vigorous terms, saying:

Your committee are fully convinced that the traffic in intoxicating liquors, in addition to the evils mentioned, is detrimental to all the true interests of the dominion, mercilessly slaying every year hundreds of her most promising citizens; plunging thousands into misery and want; converting her intelligent and industrious sons, who should be her glory and her strength, into feeble inebriates, her burden and her shame; wasting millions of her wealth in the consumption of an article whose use not only imparts no strength but induces disease and insanity, suicide and murder, thus diverting into hurtful channels the capital that should be employed in developing resources, establishing her manufactures, and expanding her commerce; in short it is a cancer in the body politic, which, if not speedily eradicated, will mar the bright prospects and blight the patriotic hope of this noble dominion.

Meanwhile petitions from all parts of Canada poured in supporting prohibition. As a consequence in August, 1874, the Rev. J. W. Manning and Col. F. Davis, representing the two sides of the question, were appointed a Royal Commission to visit the United States to see how prohibition at state level was working there. During the investigations of this committee, its anti-prohibition member was completely converted to prohibition.

The Dominion Alliance for the Total Suppression of the Liquor Traffic was founded in February, 1876, and soon became the amalgamation organization for provincial organizations. It began a series of pressure moves to force the Parliament to enact national prohibition.

The matter of action by the Dominion Government raised the question of jurisdiction. Whatever reluctance the government may have felt on other grounds to passing a law which had such large popular support, hesitancy was justifiable until some clarification was achieved of the powers of Dominion and Provincial Governments under the British North America Act. The case of *Severn vs. the Queen*, which was argued before the Supreme Court of Canada in June, 1877, did not provide the looked-for statement of jurisdiction. Consequently Hon. R. W. Scott introduced into the Senate on behalf of the government, The Canada Temperance Act, which he described as an enlargement of the Dunkin Act. It was well supported and, with several amendments made by the Senate, became law May 8, 1878. The Scott Act, as it came to be called, provided for local option under the Dominion instead of the local municipalities, as in the Dunkin Act. It made provision that no territory smaller than a city or county should have local option, and so there could be no small prohibition area in the centre of a licensed district. The quantity that was

permitted to be sold by a wholesaler was raised from five to ten gallons, and liquor could not be consumed in a Scott Act territory. When a New Brunswick case was taken to the Supreme Court at Ottawa in 1880, the act was declared by that body to be constitutional. Another Fredericton case was taken before the Privy Council, and the judgment of the Lords of Council on June 3, 1882, fully sustained the act and finally established the fact that the Parliament of Canada had power to prohibit the liquor traffic.

Shortly after the passage of the act, local option became effective in Fredericton, N.B., and in spite of efforts at repeal, remained until the 1916 prohibition law. Prince Edward Island followed in three counties and Charlottetown, and, with the exception of a brief period of repeal it remained effective there until the Act of 1916. In Ontario twenty-five counties and two cities adopted the act, but all repealed it very shortly.

One of the factors acting against the success of the Scott Act was the division of licensing between Dominion and Provincial Governments. When the judgment of the Privy Council gave Parliament the right to prohibit the liquor traffic, it was felt that licensing was thereby made a dominion matter, and the McCarthy Bill was passed to provide for dominion licensing. The Supreme Court of Canada and the Privy Council together declared against Dominion licensing and established the principle that licensing rests exclusively with the provinces.

The Scott Act caused little abatement in the alcoholic excesses that characterized the end of the century, and, in consequence, temperance agitation for prohibition grew in volume. In 1884 Mr. Geo. E. Foster moved in the dominion House of Commons:

That this House is of the opinion, for the reasons hereinbefore set forth, that the right and most effectual legislative remedy for these evils is to be found in the enactment and enforcement of a law prohibiting the importation, manufacture and sale of intoxicating liquors for beverage purposes.

The motion was passed, but with an amendment proposed by Mr. Thomas White: "And this House is prepared, as soon as public opinion will sufficiently sustain stringent measures, to promote such legislation, so far as the same is within the competency of the Parliament of Canada." A like motion was passed again in 1889 with a similar amendment. Thus Parliament acknowledged public opinion, and pledged to do precisely nothing.

The temperance forces were not deceived, and further pressure caused Parliament to set up a Royal Commission to investigate the whole liquor question. The commission was constituted of five men, four of whom are said to have been strong anti-prohibitionists. After three years the commission report was published, recommending further restrictive measures but condemning prohibition. The Rev. Joseph McLeod of Fredericton, N.B., issued a minority report favoring the immediate enactment of prohibition.

The prohibition forces were of the opinion that the Royal Commission was established for the sole purpose of quieting their demands, and they, therefore, continued pressure for legislative action. Their demands were met by reference to the commission and to the still unsettled matter of provincial-dominion jurisdiction.

In 1893 the Ontario legislature was offered the Marter Bill, which provided the closing of all retail outlets for liquor but said nothing about manufacture and importation of alcoholic beverages. On motion for second reading of the bill, an amendment which provided for a provincial plebiscite on the question was proposed by the government. The amendment was accepted by the legislature, and a direct voting on the bill thus defeated. The prohibition forces were split by this action, a large portion refusing to be party to a plebiscite meant to settle a question which they felt was already settled. When the vote was taken, however, 192,469 votes of a total of 303,209, or a clear majority of 81,769, supported prohibition. The government refused to accept this majority as a mandate, pointing out that it was far from a majority of the citizens entitled to vote. With this argument, and the old jurisdictional dispute, they refused action year after year, to the great frustration and anger of the prohibition forces.

It was in these same years that the Manitoba plebiscite under Hugh John MacDonald resulted in the Manitoba Prohibition Act, which was nullified by a later referendum vote and not put into effect by the succeeding government under Hon. R. P. Roblin.

On the dominion level, the action of the prohibitionists was disrupted by the organization of the Prohibition Party, which many felt to be a most unwise way of dealing with the question. The dissenting group brought pressure to bear on the Liberal Party and the result of their action was the presentation in 1898 of a bill for a dominion plebiscite. In the subsequent voting less than half the names on the voters' list were voted (543,029 of a possible 1,233,627) and a majority of only 13,925 favoured prohibition. The government felt it was clearly given no mandate by this vote, although the prohibitionists felt otherwise; and the whole question returned to the level of local option and provincial action.

There is some indication that progress at these levels might eventually have led to prohibition, but the question was rather decisively settled by the outbreak of World War I. The need to conserve food stuffs in this period of crisis as well as the strong moral sentiment rising from the war effort led to prohibition in province after province, with the exception of Quebec. At the outbreak of the war, only Prince Edward Island, which had had prohibition since 1901, was dry.

In 1917 New Brunswick passed the most stringent of all prohibition laws at a provincial level. On July 1, 1916, the entire Province of Nova Scotia became dry. In 1916 the provincial legislature of Ontario passed an act prohibiting all sale of alcoholic beverages insofar as the legislative assembly had power under the Constitution. Manitoba's prohibitory laws went into effect June 1, 1916. The Alberta Act became effective July 1, 1916, and the Saskatchewan law in January, 1917. The British Columbia vote included soldiers and led to considerable scandal. The government was moved to pass a bill at once, and it became effective October 1, 1917. The Yukon Territory was declared dry by Order of Council, May 1, 1918.

The Dominion Government, meanwhile, had become concerned; for there was still a serious problem in inter-provincial shipment of liquor. In December,

1917, the prime minister announced the government's policy to be opposed to:

- (1) Importation of liquor into Canada except for medicinal, sacramental, and manufacturing or chemical purposes;
- (2) Transportation of liquor into any part of Canada where its sale was illegal, and;
- (3) The manufacture of intoxicating liquors after an established date.

The ban on importation became effective immediately. Other matters were dealt with by Orders in Council after due consideration. All manufacture was forbidden after December, 1918.

The action of the Dominion Government placed the Province of Quebec in a peculiar position. Although that province had more local option areas than any other, no legislative action at a provincial level had been taken up to this time. The dominion action meant that in about a year's time the supply of imported beverages would be exhausted; and the prohibition of manufacture assured the eventual end of domestic beverages. Accordingly a prohibitory act was passed by the legislature in 1918. Before it could be put into effect the war ended. A group known as the "Committee of Moderation" had been active meanwhile and before the act took effect a plebiscite was held which exempted light beer and wines from the prohibition.

In 1919, then, all of Canada had prohibition with the exemption just mentioned. Since that time province after province has restored public sale of liquor. The control acts under which this was done are summarized in another part of this report.

## CHAPTER IX

### OBSERVATIONS FROM OTHER LANDS

Comments regarding the use and control of alcoholic beverages in various foreign countries by E. M. Jellinek, Sc.D., Secretary-General, International Institute for Research on Problems of Alcohol, to the Manitoba Liquor Enquiry Commission February, 1955.

#### ARGENTINA

Argentina is, by and large, a wine-drinking country but there is also a fair spirit consumption, while beer plays a small role.

Both men and women drink wine with their meals and men have not the least objection against women using wine, but it is strictly understood that women are not supposed to become even slightly intoxicated. The taboo on female drunkenness is strong.

There is some drinking outside of meals. In the upper social classes cocktail dances are very popular, but one does not see any drunkenness on these occasions. Generally the Argentinian does not get drunk publicly, but he may do so at home. In Argentina, as in many other South American countries, one may speak of domestic drunkenness.

For the country as a whole the problem of alcoholism is low, about one-half of one per cent of the adult population are alcoholics. General alcoholism is much lower in the large cities than in the country, particularly in the rural wine-growing districts.

The consumption of spirits is greatest in the northern provinces such as Tucuman and in the farthest south, namely, Patagonia.

Argentina has in its Ministry of Public Health a section devoted to the control of alcoholism. The primary function of this section is of public education. The main emphasis is on alcohol education in schools and this is carried out largely through lectures. There is also a programme for adult education by the means of radio broadcasts, posters, etc. While the educational activities are carried out vigorously, they are not carried out too well, as they are following the old line of "ravages caused by demon rum."

The second function of the section is rehabilitation of alcoholics. For this purpose they have one out-patient clinic in Buenos Aires. There is no compulsory treatment although theoretically any person who constitutes a public danger could be referred for treatment or rather segregation in a mental hospital. They rarely take recourse to this measure.

Persons with alcoholic mental disorders, of course, are committed to mental hospitals. The latter are well-developed and some of them have opened out-patient facilities for alcoholics, but such out-patient activities are not official but depend entirely on the individual interests of a few scientists.

The law for the public care of alcoholics makes it possible to set up clinics in other parts of the country but funds for this purpose are lacking.

It may be mentioned that in Patagonia a drunkard may be put on the "black list," i.e., his name is circulated and is sent to all drinking places and it

becomes a crime to sell liquor to him. It is not uncommon that an excessive drinker in Patagonia requests the authorities to black-list him.

Since May 1954 there is an AA Group in Buenos Aires. The Temperance Movement is rather weak and consists of a very small group only.

There are many laws and regulations concerning wine but most of these laws are rather to assure proper viticulture and production of pure wines than to restrict consumption.

The wine and distilled spirit interests are very strong and restrictive legislation is difficult to enact.

## AUSTRALIA

Australia has a lot of *laws* on the books but not much of great effect.

Their alcoholism problem, as far as true alcoholism goes, is of middling size. Occasional excess plays a greater role than alcoholism. It is a *beer drinking* country, with a fair proportion of distilled spirits.

There is legislation for treatment of alcoholics which has never become fully active.

Licensing laws are not very stringent. No local option areas.

Temperance movement is fairly strong. AA is well represented.

There is public awareness of the problem and most likely there will be something done on control legislation as well as public care. Even compulsory treatment might be proposed there. There has been a recent investigation which has stirred up public interest to a high degree, and within the near future some extensive legislative clauses may be enacted.

## AUSTRIA

Austria is a wine-drinking country but distilled spirits and beer contribute a fair proportion of the total absolute alcohol consumed.

The Austrians maintain that they have a large problem. Actually their problem is a rather occasional excessive drinking, such as celebrations and week-end drinking which result in absenteeism, over-spending and undermining of health. True alcoholism does exist but is by far not as prominent as occasional excess.

Public care of alcoholics in the true sense of the word does not exist but one or two mental hospitals have opened out-patient clinics which are not of an official nature. They have a group of recovered alcoholics who help each other, but it differs from AA in the sense that they get mixed up with temperance work.

There are fairly well-developed laws concerning inns, taverns and drinking places. In general, however, drinks by the glass can be bought in bars, inns, hotels, restaurants with or without meals.

The number of outlets is hardly more than one for each 400 inhabitants.

Laws pertaining to sales to minors and known alcoholics are on the books rather than in action.

## BELGIUM

Belgium has the world's largest per capita consumption of beer—217 liters per capita of adults. Beer-brewing is one of the oldest trades of that country. Nevertheless, in the last thirty years, beer consumption has taken a downward trend and the number of breweries has greatly decreased. Wine hardly plays any role at all.

As far as distilled spirits go, the laws are very stringent. That dates back to the time of the Van der Velde administration. For the sale of distilled spirits a special license must be obtained. A person holding a wine and beer license cannot have also a distilled spirit license. On the other hand the distilled spirit licensee is not permitted to sell anything else but distilled spirits. The latter must be sold in containers of not less than two liters. Distilled spirits cannot be sold for on-premises consumption.

Beer and wine, however, may be sold for on-premises consumption with or without food.

Whether the Van der Velde law on distilled spirits had any great effect is hard to say as even in the times of Van der Velde distilled spirit consumption was not particularly high in Belgium. It is of course possible that in the absence of that law, distilled spirit consumption would have taken an upward trend, but in this matter one guess is as good as another.

Beer is taken with meals as well as between and after meals, and is used by women as well as by men, although the former drink less than the latter.

The alcoholism rate in Belgium is about one per cent of the adult population and well below the world average as well as below the rate of Canada.

There is no Government Department in charge of rehabilitation of alcoholics but the Government subsidizes private associations who take care of alcoholics. The Anti-Alcoholism League of Belgium obtains nearly 100 per cent of their budget from the Government. The National League's main work is education. They are generally concerned with spreading information but they do not go in for preaching. Their main emphasis is on drunken driving.

In this matter they seem to do a better job than most countries.

Q. (Mr. Bracken) Would you say that Belgium is one of the best administered countries in relation to alcoholic beverages?

A. I would say that as far as licensed countries are concerned, Belgium is among the best.

## BRAZIL

Brazil is a spirit and wine-drinking country. Beer plays a very small role. Spirits are cheaper than wine and are made predominantly from sugar cane which grows in many parts of the country. Usually a party begins with wine-drinking and as they begin to run out of money they go over to spirits.

The use of alcoholic beverages by women is not frowned upon but the taboo on female drunkenness is so strong that the rate of female alcoholism is very low.



For many years Brazil has had a Federal Commission for Drug Addiction which has been extremely successful in stamping out addiction to various drugs, particularly marijuana. About three years ago a sub-commission on alcohol was created within the framework of the Federal Commission on Drug Addiction.

This Commission has as its objectives, rehabilitation and preventive education. At present rehabilitation of alcoholics plays the greater role. The Commission maintains in Rio a 150-bed hospital for alcoholics. This hospital receives patients from all over the country. It is at present a pilot clinic but the intention is to expand the in-patient and perhaps out-patient service to the various provinces.

The alcoholism rate in Brazil is probably five-tenths of one per cent of the adult population. In some provinces, particularly in Sao Paulo, the rate is much higher; in other provinces it is considerably lower.

Generally, Brazil has a much greater problem arising from occasional excess than from true alcoholism. The occasional excess in drinking causes a lot of absenteeism and in some parts of the country also violence.

Q. Would the Latin temperament allow a man to stay at home more readily Monday morning than the Anglo-Saxon would?

A. In general, yes. But in Spain, for instance, where there is a lot of occasional excess there is no absenteeism to speak of but rowdyism is quite conspicuous.

In Brazil there is a legal basis for forced treatment of alcoholics at least through interpretation of the law concerning persons dangerous to themselves and society.

On the other hand this law is seldom involved. There is considerable propaganda going on for voluntary treatment. When their treatment facilities will grow this propaganda will be more frugal.

Their educational efforts are at their beginning and are based on scientific findings but are couched in a phraseology hardly suitable for public consumption.

## CHILE

Chile is one of the great wine-consuming countries. In some regions distilled spirits do play a role but beer consumption is small. In general, it may be said that women do not drink at all. Their abstinence arises from their own attitude towards drinking as well as from the attitude towards the use of alcoholic beverages by women. It is entirely illusory to divide the total wine, spirits, etc., by the number of inhabitants, as about 98 per cent of all alcoholic beverages are consumed by males from 18 years upward.

The problem of alcoholism in Chile is of extraordinary magnitude and interferes with practically all problems which the Department of Public Health tackles. Public health men are well aware of this but cannot do much preventive work on alcoholism because of the economic interests.

The Ministry of Public Health has a Section for the fight against alcoholism. This Section is as yet not well developed, but since 1946 or 1947 the Government

maintains an Institute for the re-education of alcoholics. There are largely in-patient facilities to which they have now fortunately added an out-patient clinic in Santiago. The tendency is to get away more and more from in-patient treatment and to spread ambulatory clinics into the larger cities outside of Santiago. For this purpose they have quite a bit of activity in the training of proper clinical personnel.

While Chile is by no means a rich country, they are making a great effort in subsidizing research on the problems of alcohol. They have one of the best organized and extensive systematic research programmes of the world. Their research projects cover pharmacology, biochemistry, physiology, genetics, psychiatry, sociology and clinical research.

Chile is one of the few countries where all the legislation concerning alcohol and alcoholism is gathered into one Act. All of this is included in one volume which covers all aspects.

While their legislation concerning public care of alcoholics and research on alcoholism is highly developed, their control of sales is rather inadequate.

Alcohol education is at its very beginning but the beginnings are promising.

## CHINA

China's main problem is still opium. They do have alcoholic drinks, mainly made from rice. Largely rice beer which they call rice wine. Alcoholism is not a national problem, and I do not think that anything has been done about it. In the history of China there were some restrictive laws many hundreds of years ago.

## COLOMBIA

Colombia's great problem is Chicha. Chicha is a word that is used in various South American countries with entirely different connotations, but in Colombia it is a native beer produced from corn which is usually brewed under rather unsanitary conditions. There is also quite a bit of spirit drinking, but the national problem is really "Chicha." Chicha is about everywhere, but under the opposition raised by the Public Health Department, native Chicha brewing has been stopped. It has been forbidden, and only proper breweries are licensed. Colombians think that there is in Chicha a toxic agent outside of alcohol, and that that causes more trouble than the alcohol. It has an alcohol content of 7 per cent but it is very doubtful that there is any other toxic agent in it. Spirit consumption is fairly high.

Chicha being very cheap has brought about what might be called nutritional alcoholism. That is, very poor people have taken the main proportion of their calories from Chicha instead of from food, but without vitamins, etc. So Chicha undoubtedly has done very great harm, but at present the control of Chicha production is very stringent, and I think that in that way the government has done something—they have decreased Chicha consumption to a very great degree. They haven't done anything about spirit consumption. There is licensing, but nothing of particular interest.

There is no public care of alcoholics and no rehabilitation programme.

Colombia has a high alcoholism rate.

## CZECHOSLOVAKIA

Czechoslovakia has always been a great beer-drinking country and I suppose that it still is. Distilled spirits have also played some role in the past. What the present conditions are I hardly could say as that country, as well as all the other Soviet countries, with the exception of Yugoslavia, are inactive members of WHO and we have no information concerning their health problems.

## DENMARK

Denmark is the only Nordic country which has no monopoly system. The importation, manufacturing and sale are subject to licensing. Actually it is at present a beer drinking country, although originally it was one of the biggest spirit consumers. At present it is very definitely a beer consuming country with a small scale consumption of spirits. I would say that the largest part of spirit consumption is practically limited to the alcoholics. Spirits are extremely expensive through taxation but the alcoholic is not deterred from purchasing it. All sales are on a license basis. Licensing is fairly well thought out. They put quite a bit of thought into their license system, have various requirements for their bars, taverns, etc., e.g. open to public view. They have pretty high standards of hygienic conditions. The main restriction put on spirits is through taxation. The alcoholism rate is about 1.95 per cent of the adult population, i.e. slightly higher than in Canada.

Gross per capita consumption rates (1948) were: Beer: 72 liters; wine: 2.6 liters; spirits (at 50%): 1.1 liters. Recomputed for the adult population, the per capitae were: 105 liters; 3.8 and 1.6 liters respectively. The total absolute alcohol from these three sources amounted to around 4 liters per capita of the adult population.

There is no public care of alcoholics, but the Government is friendly towards the idea.

(Mr. Bracken) Denmark then has high taxation of spirits, but has now a tradition of beer drinking.

Q. How many years did it take?

A. The beginning of the century it began to go down but the really great reduction took place in the last 12 or 15 years. Taxation on drinks with high alcohol content has changed the habits.

An Alcoholic who commits a crime may be sentenced to treatment and placed under supervision. Even if he is discharged, he is under supervision for one year. Their treatment of criminal alcoholics is pretty successful. They have out-patient treatment of criminal alcoholics for light offences. That is about the only type of public care.

Q. (Mr. Bracken) Denmark is perhaps the outstanding example in the Western world as to how taxation action changed the pattern of drinking.

A. Yes, legislation can change the pattern but there are other examples where the thing failed, where high taxation worked for three years, but failed, when the general cost of living rose so that it didn't matter any more that liquor cost so much.

Q. (Mr. Bracken) Was that a failure in administration?

A. No, if you go with your taxes beyond a certain limit you are absolutely sure to get much bootlegging. There is a limit beyond which you cannot go.

Q. Are most of the spirits in Denmark home produced?

A. Most of the spirits used in Denmark are produced there.

They have a form of AA which they call Ring in Ring. They see to it that members take their antabuse regularly, i.e., they are rather different from AA in other countries.

They have some research, but it is not co-ordinated research, although it is high level research.

The temperance movement is strong. The temperance societies have quite a bit of power and they do a lot of pamphleteering.

One very interesting feature: much of the Danish beer is manufactured by the Danish Academy of Science. They inherited a brewery and that is their main income.

## EGYPT

There is some alcoholism in Egypt, and they have a few instances of alcoholic psychoses. They have a greater problem with drugs. It is hashish or marijuana. That is the larger problem in Egypt. But in spite of the Islamic religion there is drinking. In the upper classes there is a bit of drinking, and there is also some drinking in the lower classes, but theirs is home brew made out of old bread. Whether there are any kind of control laws I do not know.

While their alcoholism problem is small the government is now opening up two or three rehabilitation clinics, and first of all they are training personnel. They had a young Egyptian psychiatrist sent to England, and he is in charge of putting up these clinics and training the personnel. It is a good preventive measure.

## INDIA

India never had a very great problem; but as a matter of fact they have a very small one. Alcoholism does occur, but it is of no importance. However, out of religious reasons they did introduce prohibition seven years ago. I have not been in India but I have talked with many psychiatrists, social workers, health administrators, etc., who come on fellowships to Europe. When I ask them about the alcohol problems, they all smile and say: "Since we have no drinking, we have no problem." However, they have bootleggers, etc., and there is a little trouble with that; also there is a tendency to show how one can circumvent the law. They are not too happy about the situation there. Their problem at present is more of a legal one, concerning infraction of the law, etc.

(Mr. Bracken) I met an administrator from India. In brief, he said that seven years ago when India was granted her independence, or shortly thereafter, eleven provinces out of 25 decided to have prohibition. "Why was it so readily accepted," I said. He answered: "If you brought in a law against opium there would be much objection, but we have been taught for centuries alcohol was not a good thing. This was in the platform of the Congress Party—

they were for prohibition—they were elected, and the law was brought in.”

Q. Do they have another problem? Instead, do they have hashish?

A. I don't think so. Opium yes, Bhang is a hashish which is soluble as a drink. It is used in certain provinces—not all over India. Bhang is one of the worst forms of hashish and is much more serious than hashish cigarettes.

## IRELAND

In Canada and the United States we are inclined to think of the Irish as excessive drinkers because in our countries the Irish immigrants contributed more than their share to the alcoholic population. From this, however, it does not seem justified to make any inference as to the extent of alcoholism in the Republic of Ireland. Apparently the emigrants represent the emotionally most unstable element of the Irish population, and in the new environment they are exposed to particularly strong stresses.

Contrary to expectation, Ireland is not a distilled-spirit drinking country but a beer country in which distilled spirits play only a somewhat greater role than in the United Kingdom.

The rate of alcoholism in Ireland is slightly above one per cent of the adult population.

One cannot speak of public care of alcoholism in the Republic of Ireland in the proper sense, but the Department of Public Health greatly encourages the rehabilitation of alcoholics through private institutions and organizations and there is little difficulty in placing alcoholics in public hospitals.

Alcoholics Anonymous is well established and enjoys recognition by official circles and co-operates with public hospitals.

There exists an Act which makes compulsory care possible but apparently this law has not been activated although, if necessary, it could be made effective.

The licensing system is similar to that in the United Kingdom but does not have any provisions for “business hours” in terms of the United Kingdom laws.

## ISRAEL

For hundreds of years Jewish cultural groups in the Deirez Zor have been known for the relative absence of alcoholism and even ordinary drunkenness although nearly 100 per cent of the Jewish population are users of alcoholic beverages. This is true, however, in Christian countries only, while Jewish groups settled in Moslem countries show some drunkenness and alcoholism.

In Israel which represents a very heterogeneous population coming from Christian as well as Islamic countries, there are signs of beginning alcoholism. Apparently government authorities have not taken any notice of this as yet and nothing has been done about this question.

The main source of alcohol in Israel is wine. What the legislation is concerning the sale of alcoholic beverages in that country I do not know, but they surely have no stringent regulations.

Q. (General Riley) Is wine an important factor in trade?

A. I think they are trying to foster it.

## ITALY

Italy is of course one of the classic wine countries and generally one is inclined to think that everybody drinks wine there all day long practically from birth on. That impression, however, does not cover the truth. No doubt, Italy is a great wine-consuming country in which beer consumption does not amount to more than two or three quarts per capita a year, and the per capita consumption of distilled spirits does not amount to more than four-tenths of one quart. Wine is the only important source of alcohol.

Q. (Mr. Bracken) About half as much as France?

A. Yes, the individual consumption amounts to about half of that of France.

A survey carried out recently by the Doxa Institute of Milan showed that there is a surprisingly large proportion of abstainers among the adult population of Italy; 20 per cent of the adult women and 13 per cent of the adult males do not drink. Among young men between the ages of 18 and 28 the percentage of abstinence is even higher, somewhere between 22 per cent to 23 per cent. This has not come as any great surprise to acute observers.

About a year before the Doxa Report was published many Italian acquaintances of mine who are students of the problems of alcohol, told me that wine-drinking had become less and less important and that particularly the younger people were inclined to emancipate themselves from the tradition of wine and other alcoholic beverages.

The present trend in Italy is particularly interesting because in that country there does not exist any temperance movement to speak of. The decrease in consumption and the increase in non-drinkers is not due to any propaganda but rather to social and economic factors and some changes in the ideas about values.

Among other things that may be mentioned is the ideal of young Italian men to own a motor-scooter for which they save for several years and because of this saving they do not drink. This is, of course, only one of the many factors but not a negligible one.

In contrast to the French drinker who drinks at all hours of the day, Italians drink, with the exception of 17 per cent of the consumers, exclusively with the noon and evening meal. As I mentioned before, about 17 per cent of the adult males drink outside of meals but not frequently. Even in the night spots more coffee and Coca-Cola is consumed than alcoholic beverages. The fact that they drink largely with their meals causes a much slower absorption of alcohol and since they have a very high carbohydrate intake the blood sugar level during and immediately after meals, is rather high and decreases the toxic effects of alcohol.

In 1950 the annual per capita rate (total consumption of absolute alcohol) was 9.1 liters which, recomputed for adult actual users gives a per capita of 16.9 liters and for actual male users 22.8 liters of pure alcohol.

In general, the Italian does not have the tendency to drink for relief of tension.

There are various social and cultural factors which account for this. For one thing, the very closely knit Italian family offers the individual a high

degree of security and, second, the Italian culture does not require excessive emotional control from the individual. The Italian may cry or laugh or be a little noisy without the aid of alcohol. It may be also mentioned that the Italian regards wine as a glorious product of his country and shows great contempt for the man whom through drunkenness, discredits this product.

Nevertheless, an alcoholism problem does exist in Italy, and probably a little more than one-half of one per cent of the adult population suffers from alcoholism. While as alcoholism as a world-wide problem goes, the Italian problem is a rather small one, yet it is considerably greater than the Italians are inclined to believe. They recognize as an alcoholic only that drinker who develops an alcoholic mental disorder and such disorders represent only a small proportion of the total alcoholic population. As a matter of fact not more than three persons of all first admissions are for alcoholic psychoses. This may be compared with Switzerland where 15 to 20 per cent of admissions to mental hospitals are for alcoholic psychoses.

There is no public care of alcoholics in Italy except that alcoholics with mental disorders are committed to mental hospitals.

While the bulk of Italian legislation around alcohol is cenalogical, that is concerned with the protection of viticulture and the proper production of wine and prevention of the adult ratio of that beverage, there is also legislation designed to cut down consumption and to keep it within bounds. One of these measures is a fixed ratio of one outlet per 400 inhabitants.

Selling of wine and other alcoholic beverages in the vicinity of military barracks and of mental institutions and other related institutions is prohibited. Also it is much more difficult to obtain a license for the sale of distilled spirits than for other alcoholic beverages. A license, for wine and beer, may be obtained from lower administrative authorities but a distilled spirit license requires application to much higher authorities and some quite elaborate formalities.

The on-premises sale of alcoholic beverages is permitted subject to some mild regulations. There is no age limit on the sale of wine to individuals but spirits may not be sold to persons below the age of fourteen!

Of course even adults hardly drink any distilled spirits and no conclusions should be made from this disposition as to the drinking of spirits by minors.

Q. (General Riley) Are there drinking places that are used for drinking only?

A. Most of the drinking is done in eating places but there are, of course, bars and nightclubs where drinking is primary, but also in those places sandwiches and often some small warm snack can be had. Furthermore, these bars and nightclubs all provide also soft drinks and coffee. Most of the bars are part of a restaurant, hotel, pastry shop, etc.

Q. (Dr. Pincock) You refer to France. Do the French drink at any hour of the day?

A. Yes. You may have read that the Mendes-France Government proposed to close drinking places between 5 a.m. and 10 a.m., and the answer to this proposal was that between these hours only "hygienic drinks" are consumed, and by "hygienic drinks" wine is meant.

## JAPAN

I know very little about Japan. The Japanese use a great deal of distilled spirits so-called saki, which is made from rice, and is either a simple brewed beverage or may often be distilled. They call it rice wine but technically wine cannot be made out of cereal. It is a beer, but because of its very clear colour and thin "body," it is referred to as wine.

The interest of Japanese physicians in alcoholism and verbal reports which I have heard, indicate that there is an alcohol problem of some size in Japan.

I have some data on the occurrence of death from chronic and acute alcoholism in Japan but from such data no far-reaching conclusions can be made. Death from alcoholism is not an index of the occurrence of alcoholism. The curve of reported death rates from alcoholism reflects frequently trends in the treatment of chronic alcoholic diseases. In the U.S.A. death from alcoholism between the years 1900 and 1915 showed a slight decrease parallel to the decrease of the general death rate from all cases. Between 1915 and 1920 there was a sharp dip in the alcoholism death rate but from 1920 to 1932 it rose steadily. From 1933 on, that is the beginning of Repeal, death from alcoholism dropped sharply and is now at a very low level. The wets, of course, boast of this and play this fact up as one of the beneficial effects of the Repeal. Of course, it has nothing to do with that but it happens that just around the time of repeal the avitaminotic nature of the diseases of chronic alcoholism was discovered and they began to treat these diseases with massive vitamin administration which progressively spread even into the small back-country hospitals, and thus the sharp decrease in death from alcoholism came about.

## LEBANON

Let us talk about the Middle Eastern Arab States, that is Lebanon, Iraq, Saudi Arabia, etc.

Very little drinking is found in these States. Some individuals will transgress the religious law and use alcoholic beverages but generally the sects in the Middle Eastern Arab States are very strict about the religious rules.

In Algeria and Morocco, on the other hand, there is much drunkenness among the Islamic population. In Persia, too, there is more alcohol consumption than in the Arab States. The latter have no particular control laws as they have no occasion to bother much about restrictive measures.

Alcoholism does occur in the Middle East but to a very small degree only.

## MEXICO

Mexico has a big problem. The control is extremely difficult because the real problem does not come so much from the commercially circulated alcoholic beverages and spirits, but from home distilling for which they use the *sloe*. This drink is known as *Pulque*. Nobody knows how much is distilled or how much is sold, but many know how many drunks are around. Most of the



drunkenness and alcoholism in Mexico comes, as far as the lower classes are concerned, from home distilling. There is very little possibility of control.

The Mexican Government has within the Department of Public Health a section which is devoted to the control of alcoholism through progressive education. They have an excellent man at the head of it who is doing a good job. It is only of two years standing and one cannot expect in two years great results, but I have seen a whole lot of alcohol education and I must say the Mexican effort is excellent. They also have a law on public care of alcoholics. There are governmental clinics large enough and spread well enough throughout the country. They also have AA in Mexico. AA is not very strong but they have made a start and there is a link between AA and the government clinics.

## THE NETHERLANDS

Holland is very well worth talking about. When we talk about public care of alcoholics we usually bring up the example of Sweden which has not been much of a success. Nobody talks about Holland, although Holland is the finest example of public care. Their public care was started in 1912 and they have developed a system which is far superior to any other system. Actually it goes back to the temperance movement. The temperance movement in Holland was, from the beginning, and still is, interested in salvaging the alcoholic. There are a few prohibitionists in Holland but generally speaking the temperance societies are interested only in developing voluntary total abstinence.

Q. (Mr. Bracken) You say that Holland is "tops" in the world?

A. Yes, as far as public care of alcoholics is concerned.

Q. (Dr. Pincock) Briefly, what method do they use?

A. Since you are interested in legislation more than rehabilitation, I would like to put quite a bit of emphasis on Holland where there is more of public care than control legislation.

The Netherlands Government does not establish State clinics but instead subsidizes up to 100 per cent the in-patient and out-patient clinics established by private societies. In spite of this large subsidy they leave the management of the clinics in the hands of the founding societies. On the other hand, a Government inspector attached to the Ministry of Health and who is in charge of all matters relating to alcohol, periodically investigates the clinics in order to see whether they are operated according to standards; as long as the standards are complied with the subsidy continues. As far as I know there never has been an occasion to discontinue the subsidy of any clinic.

I would like to recommend this system. It is a system which allows for more effective treatment of alcoholics because it does not work under the limitations which are unavoidable in Government institutions.

(Mr. Bracken) We can discuss this in more detail when we come to the question of rehabilitation.

(General Riley) Before we leave Holland, Mr. Chairman, I should like to hear about Dr. Jellinek's statement that in that country they are moving towards voluntary control. What legal controls do they exercise?

(Dr. Jellinek) I did not say voluntary control but voluntary total abstinence. As far as legal controls are concerned, they have various types of sale licenses such as on- and off-premises licenses and within those a general license for the sale of all alcoholic beverages or only beverages of light alcoholic content.

There is a school of thought in Holland which wants to ban the package sales of distilled spirits and limit their sale to on-premises consumption, the underlying idea being that package sales bring distilled spirits into the home and thus expose the children to the sight of drinking.

On the other hand, there is a contention that in the home the presence of the wife and the children puts a brake on heavy spirit consumption. This controversy is at present in abeyance but is liable to be resumed.

The matter of the issuance of sales licenses is handled very thoughtfully. There are stringent conditions or stipulations concerning the physical set-up of drinking places, but what is more important, there is very strict law enforcement. Holland is one country where such laws as not selling to an intoxicated person are strictly observed.

Q. (General Riley) Do they eliminate all places that are not respectable?

A. They do their best to detect such places and eliminate them.

Q. (Mrs. Whiteford) Is there any problem of minors in Holland?

A. The sale of beer is permitted to persons from 16 years up. I do not remember whether distilled spirits are allowed to youngsters too. I have seen such young people drinking beer and it seemed to me that they were just a bit too smart.

(Mr. Bracken) Now we come to New Zealand.

## NEW ZEALAND

This country has a problem at the lower end of the middle range. The Temperance Movement is very strongly developed there and they seem to exaggerate the problem to such a degree that the outsider would get the impression that a very serious problem exists. The licensing system is quite elaborate and there is a tendency to refine it more and more and there are continuous revisions or at least proposed revisions of the law.

Q. (Dr. Pincock) Do they have tribal problems?

A. The problem is more among the urban population which is for the most part of European extraction. There is talk about the native problem but it does not seem to be of great extent. I may mention that the natives had no alcoholic beverages before the advent of the Europeans.

Mr. Bracken: We do not seem to get much of a lesson from there. Now let us deal with Norway.

## NORWAY

Norway may be called a spirit-drinking country, as 67 per cent of the total absolute alcohol consumed is derived from distilled spirits. Beer contributes 28 per cent and wine approximately 5 per cent. Wine is consumed practically only in the higher social levels at dinners and parties.

Beer may be taken by much wider circles frequently with meals but perhaps just as frequently outside of meals.

The usual statistics of alcoholic beverage consumption in Norway are somewhat misleading. The following per capita rates are reported for 1949:

|                                    |            |
|------------------------------------|------------|
| Wine.....                          | 1 liter    |
| Beer.....                          | 15 liters  |
| Distilled Spirits (100 proof)..... | 3.2 liters |

Now if you take this for the adult population only as should be done for Norway, the per capita rates become 1.4 liters, 21.5 liters and 6.4 liters respectively. Even this does not give a correct picture as in Norway there are at least 30 per cent total abstainers among the adult population, and if the actual users only are taken the statistics would be as follows:

2 liters

30 liters

and 6.4 liters respectively.

This represents, in terms of absolute alcohol, a consumption of 4.77 liters per head of actual consumers. There is a further consideration and that is that in Norway, while there is no rejection of the use of alcoholic beverages by women, the social taboos on women becoming even slightly intoxicated are so strong that women actually use very small quantities only. Thus, for adult males who are actual consumers, the annual per capita for absolute alcohol may be taken at 9.54 liters, which in measures more familiar to you would mean about one ounce of absolute alcohol per day.

Norway has a State monopoly for the importation and distillation of alcoholic beverages and package sales are effected by State stores, while on-premises consumption is licensed under certain conditions. Licensing is within the jurisdiction of municipal authorities even for sales by State stores. For hotels, sales licenses can be given only by the Ministry of Social Affairs. No liquor is served on Sundays and public holidays.

The Norwegian State monopoly which aims to eliminate the profit motive and to reduce sales incentive, is very similar to the monopoly system of Sweden except that they did not take recourse to personal permit books.

In 1949 slightly over 22,000 persons were reported to the temperance boards as persons suspected of alcoholism. This would be about one per cent of the adult population (the so-called temperance boards are official bodies which examine and dispose of cases of suspected alcoholism). Actually, the alcoholism rate in Norway is around 1.6 of the adult population, that is, Norway is well up in the middle range of the problems of alcoholism. In addition to this there is quite a considerable problem arising from occasional excessive drinking bouts.

The public care system for alcoholics in Norway is very similar to that in Sweden. Persons arrested repeatedly for acute intoxication are reported to a local "temperance board" and that board investigates whether they are not dealing with a habitual excessive drinker. The board may issue a warning and if that is of no avail places the excessive drinker under supervision, and lastly, they may order commitment to special institutions for alcoholics.

These special institutions are managed by government authorities. The

medical side is greatly neglected or at least has been until recently, while the supervision and care of alcoholics and other excessive drinkers is carried out largely by social workers who are employed either by the State Government or by municipal governments. The attitude of these social workers is not therapeutic but rather authoritarian. Such an attitude may be quite effective with the French type of drinker who gets into his alcoholism more out of habit than from deep-lying psychological reasons, but it is of no avail in the case of the neurotic alcoholic or the alcoholic with strong psychological vulnerability and, in Norway, the latter form the majority of their alcoholic population.

Public care of alcoholics in Norway has changed in the last few years considerably under the influence of Alcoholics Anonymous who form a very strong group. They have over 5,000 members which is a rather large number for such a small country. The AA's are subsidized by the Government in the sense that they have received government funds for a clinic specializing in the treatment of acute intoxication.

Antabuse is widely used in Norway for the treatment of alcoholism. That fact, too, contributes to strengthen the medical aspects of the public care system but, in general, the authoritarian attitude of Norwegian social workers still prevails.

- Q. (Mr. Bracken) Do they have on-premises sales?
- A. Some hotels and restaurants have permits for sale by the glass.
- Q. (Mr. Bracken) But they do try to limit profits even in retail?
- A. The object of the Norwegian system is to limit the profits.
- Q. (Mr. Bracken) Norway, Sweden and Finland are about the same?
- A. The monopoly systems and public care systems are very much alike in these three countries. There are, of course, some differences particularly in the carrying out of the measures.
- Q. (Mr. Bracken) Is Denmark different?
- A. Denmark is neither a monopoly system nor a public care system.

**SWEDEN**

Although Sweden is one of the most important countries when one discusses the question of the problems of alcohol and their handling, there is not too much to say after having talked about these problems in Norway and Finland.

Until January of this year, personal permit books were part of the control system. These permit books entitled the buyer to three liters of cognac type of liquor per month. The personal permits have now been abolished and it is interesting to note that this has been done with the full concurrence of the temperance societies.

A recomputation of the 1949 per capita rates on the basis of adult population only and allowing for the fact that, as in Norway, about 30 per cent of the adults are teetotallers, we obtain the following per capita values:

|                                    |            |
|------------------------------------|------------|
| Wine.....                          | 2.8 liters |
| Beer.....                          | 49 liters  |
| Distilled Spirits (100 proof)..... | 10 liters  |

This means 7.27 liters of absolute alcohol per capita of actual consumers

(adults less the proportion of teetotallers). Here, as in the case of Norway, we must consider that women drink small amounts only and that as far as actual male consumers are concerned the per capita rate must be doubled, that is we must take the per capita absolute alcohol consumption for the latter as 14.5 liters. This is nearly 53 per cent higher than the Norwegian consumption.

The alcoholism rate for Sweden is at the high range end with 2.8 per cent for the adult population.

It is of interest to note that in all Scandinavian countries female alcoholics are rather rare. For the country as a whole, you may take for Sweden 20 alcoholic men for each alcoholic woman but, in large cities, the ratio may be 10 to 12 to one.

While as I said before the use of alcoholic beverages by women is not frowned upon, there are extremely strict social taboos on intoxication by women and thus only women with strong psychopathic liabilities are liable to take the social risk involved in excessive drinking.

The public care system of alcoholics in Sweden is rather similar to that which I have described for Norway. But the attitude of the social workers towards the alcoholic is even more authoritarian than in Norway.

Of late, some interested psychiatrists have opened an in-and-out-patient service for such alcoholics as come voluntarily. Thus, an unofficial measure is resulting in a better medical attitude towards alcoholism in the official set-up.

For many years Sweden has been among the leading countries in research on problems of alcohol and they have contributed to the scientific alcohol literature considerably more than their share. The Karolinska University at Stockholm is now creating a Chair for alcohol research and there is a tendency towards systematic and co-ordinative research.

Q. (Mr. Bracken) Is there much emphasis on education?

A. Alcohol education is one of the important items in the programme of Sweden but this education has been farmed out to the temperance societies who receive considerable subsidies for this purpose. Generally speaking, the pamphlets which these societies put out do not comply with the standards of health education in general, but it must be said that the pamphlets prepared for the Navy and Army are rather good.

Q. (Mr. Bracken) Are the temperance societies prohibition societies?

A. No. They stand for voluntary total abstinence but not for prohibition.

Q. (Mr. Bracken) Has there been any emphasis on the question of drinking with meals?

A. Beer is frequently taken with meals but distilled spirits are consumed in the home after and between meals. In the licensed hotels and restaurants, of course, distilled spirits are served with meals.

## UNITED KINGDOM (ENGLAND AND WALES)

For England and Wales 1948 per capita consumption recomputed on the basis of adult population is as follows:

|                                         |             |
|-----------------------------------------|-------------|
| Wine.....                               | 1.7 liters  |
| Beer.....                               | 144. liters |
| Distilled Spirits (at 50% alcohol)..... | 0.7 liters  |

That is, the total absolute alcohol per capita of the adult population was 6.35 liters.

As the number of total abstainers for England and Wales is not known, no per capita rate can be given for the actual adult consumers.

From this it can be seen that beer contributes about 90.7 per cent to the total absolute alcohol consumption, which leaves, of course, very little for distilled spirits and wine.

In the course of the century distilled spirit consumption has dropped much more than beer consumption. Alcohol consumption, drunkenness and alcoholism have been on the downward trend since the beginning of the century but particularly since the first world war, when very stringent control measures were introduced. How much of the downward trend may be attributed to the control measures is hard to say because many other factors have been operative too.

No doubt the so-called "business hours" for drinking places and liquor stores have had quite some influence on the trend and it must be said that the "business hours" had some definite influence on the drinking habits in England and Wales, as they minimized the possibilities of "pub-crawling." "Business hours" are not the same all over the United Kingdom but vary from one municipality to the other, and are adapted largely to the habits of the population.

High taxation on liquor must have also played an important part in the reduction of consumption, particularly in a country where, after tax deduction, the spending money is rather limited.

There are many factors which had an indirect influence on the reduction of the use of alcoholic beverages. One of these factors is the garden-allotment to householders in cities. As the Englishman loves to potter around in a garden the introduction of garden-allotments has set up a competition with going to the pubs. That this competition was of a very serious nature is reflected in the fact that the brewers requested an extension of the permitted hours as the gardening activities interfered with the ability of the population to spend enough times in the pubs. This, of course, means that the beer brewers felt that their business was being impaired by this activity.

Recently another factor has exercised an indirect effect on the alcoholic beverage consumption, and that factor is the extremely high tax on cigarettes and tobacco in general. When that was introduced, the tobacco trade was extremely fearful of a great reduction in their business. However, the sale of cigarettes did not decrease but instead the sale of alcoholic beverages did decrease. The fact is that the moderate smoker cannot get along without cigarettes. Thus, if a person with small means and no alcoholic tendencies is faced with the choice, he will renounce alcohol in the favour of tobacco.

The temperance societies also claim a good deal of credit for the decrease in alcohol consumption and drunkenness. While their claim holds true for the beginning of the century, the more recent trends cannot be ascribed to their activities.

As far as true alcoholism goes, England and Wales are at the low end of

the middle range, or if you like, at the high end of the low range. Of course, this is not a large but by no means a negligible problem.

Interestingly enough, in professional circles, in the middle and upper classes, Englishmen are rather inclined to think that they have no alcoholism problem at all. This may be ascribed to the fact that in England and Wales true alcoholism occurs largely in the lowest social classes, while in the middle and upper classes the occurrence is quite sporadic.

In countries where the lowest classes are afflicted with alcoholism there is a tendency to talk of drunkenness instead of alcoholism, while alcoholism as a disease is recognized mostly in those countries where it occurs with fair frequency in the upper middle and upper classes.

In the 1890's the so-called Inebriety Act provided for the treatment of alcoholics in special institutions but practically nothing ever happened about this. It is only about a year ago that the first special clinic for alcoholics was opened in Cambridge. Aside from that, some of the mental hospitals have added a special service for alcoholics to their activities.

One cannot speak about public care of alcoholics in England, although the National Health Insurance Act makes it possible for any alcoholic to get free treatment for alcoholism. Since, however, the number of physicians with particular knowledge and experience in alcoholism in England is small the question of free treatment of alcoholism becomes illusory. If an alcoholic goes to a physician who is not a specialist in the field, all he gets is the advice to drink less and that, of course, does not make sense for the one thing the alcoholic cannot do is to drink less, although he can be enabled not to drink at all.

Alcoholics Anonymous took a slow start in England but the growth has recently speeded up and one may speak of quite a strong group. As they become more and more known, the problem of alcoholism too is liable to become better understood. Of late, co-operation between AA and some mental hospitals has developed.

English medical men, physiologists, psychiatrists and pharmacologists have made a tremendous contribution towards research on the effects of alcohol, as well as on alcoholism. On the other hand, these contributions were of an entirely individual nature and there has been no attempt to systematize and co-ordinate these researches.

Q. (Mr. Bracken) Do you agree that England has made a better job of the license system than other countries?

A. As far as the legislation on management of the license system goes, England has no doubt done an outstanding job. A great deal of the success, however, must be attributed to the law-abiding nature of the English people. Some other countries, too, have wise legislation on the matter of licensing, and yet their success is small because people tend to circumvent the laws.

Q. You have made some allusions to the effect of recreational measures in England. Could such recreational programmes be instituted in other countries?

A. I am sure it can be done but the type of recreation, of course, must be suited to the cultural pattern of each country. Gardening, for instance, would not appeal in many countries to such a degree as it appeals to the English people.

I know of one country at least, namely Guatemala, where the Commission on Alcoholism is making a great effort to set up pilot projects in recreation in order to foster such activities later through other authorities and thus indirectly contribute towards the prevention of alcoholism.

The Alcoholism Commission of Guatemala spend a large proportion of their budget on these recreational pilot projects.

Q. (Mr. Bracken) Do you think that the change from spirits to beer has played a large role in the reduction of alcoholism in England?

A. I believe that this has been one of the important factors and it can be related to the high taxation on distilled spirits.

## U.S.S.R.

When I talked about Czechoslovakia I remarked that we did not know anything about Soviet countries. I mentioned that "fellow travellers" usually maintained that the alcohol problem has disappeared in Russia.

I have now come across an article by the eminent Russian writer, Gladkoff, which has been reproduced in part in "La Sauvegarde" (Lausanne, Switzerland), January 8, 1955.

Gladkoff says that drunkenness in Russia is particularly conspicuous among artists and that it has penetrated also into the intellectual circles of urban and rural areas. He also says that there is a kind of pitying and amused condoning of this behaviour. "Drunken men bump into pedestrians in the street, offend them, fight among each other, fall on the pavement, and all those horrors are regarded as something quite common and an inevitable evil."

The chief of a chemical laboratory writes: "It is easier in our establishment to buy any quantity of vodka than to get a magazine or a newspaper. One liquor outlet is right opposite our plant, another one is 500 metres to the right and a third one 300 metres to the left."

"In an industrial plant in Minsk there is a large number of labourers, workers and even good workers who have abandoned themselves to heavy drinking."

Perhaps Gladkoff tries to give a lurid picture of drunkenness in Russia but even if he exaggerates there can be little doubt that at least a good-sized problem of drunkenness exists in Russia, protestations of fellow-travellers notwithstanding.

As everything else in Russia, alcohol too is a monopoly "of the people."

## TURKEY

In modern Turkey, about 50 per cent of the adult population uses alcohol. Alcoholic psychosis is about  $\frac{2}{3}$  per cent of the total psychosis; among women



less. There is no particular objection to women drinking, but they do not drink much. You have alcoholism in the lowest and highest social strata. Perhaps they have an incidence of alcoholism of 3/10 of 1 per cent of the adult population. In Turkey they also have a temperance society. They try to have very restrictive laws. They have on-premises consumption but the number of on-premises licenses is very limited.

## URUGUAY

It is one of the most progressive countries in South America. It is a well run little country, extremely well administered. Uruguay has a population of about  $2\frac{1}{2}$  million; one million live in the capital, Montevideo. Of course, the pressure there is great, and the people look for relief from pressure, which they find in alcohol. They drink a lot of wine and a lot of spirits. Distilled spirits are a State monopoly but it is different from the other countries; the object of the monopoly is revenue for the Government.

Q. (Mr. Bracken) Is manufacture a monopoly of the Government?

A. Yes. Under such conditions you can imagine there are not many restrictions on sales; they have to push sales.

They push sales and want to get as much money out of liquor as possible. The alcoholism rate is close to one per cent of the adult population. That is not a very big problem but the thing is that their problem is more from occasional excessive drinking than from alcoholism. This occasional excess is a big problem in Uruguay and it causes quite a bit of absenteeism and also rowdy behaviour. This, of course, has led to the formation of temperance societies in Uruguay. Of all the South American countries they have the strongest temperance movement. They try to put pressure on the government for more sales restriction and manufacturing restrictions but without much result.

On the other hand they have been successful in putting over very strict laws on drunken driving. They have been quite successful in bringing about heavy punishment of offenders for drunken driving, cancellation of drivers' licenses for one year, and also for good.

They have also induced the government to do something about education and the Department of Public Health has put in a subsection on alcohol education which has done fairly well. Their alcohol education is much more reasonable than the Swedish, and it is more effective.

The temperance league has set up an out-patient clinic for alcoholics which is big enough for Montevideo but it cannot take care of the hinterland. It is directed by a psychiatrist who knows how to treat alcoholics, and he gets results. This clinic was for a long time run entirely on money of this temperance society. The last three years they have received quite a bit of government subsidy. There is now before the legislature an act for rehabilitation of alcoholics.

The clinic which the temperance society has is insufficient to take care of rehabilitation for the whole country.

## VENEZUELA

The problem is very much as the one I described for Colombia. The lower-class population drinks native beer, chicha, but since there is a large proportion of well-to-do people, there is also quite a bit of distilled spirits consumption, largely of imported liquors. There is, of course, some legislation on licensing and liquor outlets and the nature of liquor outlets but nothing that one could call restrictive measures.

## SPAIN

With the exception of a fractional percentage, all the absolute alcohol consumed comes from wine.

The gross per capita consumption (total population of all ages) is 9.6 liters absolute alcohol; recomputed for adults it is 16 liters.

If it is taken into consideration that only 50 per cent of the adult women drink and perhaps nearly 100 per cent of the adult males, and furthermore that the actual male drinks three times as much as the actual female drinkers, we obtain for actual male consumers a per capita consumption of 28.8 liters absolute alcohol and for females 9.6 liters. This is very close to the per capita rates I gave for Italy.

The Spanish drinking pattern differs from Italy only in the respect that the instance of wine being consumed between meals is greater than in Italy. On the other hand, when the Spaniards drink between meals they also eat. The Spaniards say "We eat when we drink and we drink when we eat."

As mentioned before, only half of the adult women use alcoholic beverages. On the other hand, the abstinent women have no prejudice towards women who use alcoholic beverages, nor do men have any prejudice against them as long as the women do not get even slightly intoxicated. But while men do not take exception to women drinking in small amounts, they show particularly high esteem for teetotalling women.

The Spanish alcoholism rate is at the lowest range end; approximately four-tenths of one per cent of the adult population. However, in addition to this they have a problem arising from occasional excessive drinking and this is probably twice as great as the problem of true alcoholism.

Although occasional excessive drinking may be connected with some violence and accidents, surprisingly it does not lead to absenteeism.

The basic law on alcoholic beverages is the decree of September, 1924, to which several amendments have been made since. That decree has two main objectives. One is to limit wine production in such a way that there should not arise too large an excess over the actual wine consumption and thus create the necessity for converting much wine into brandy.

Article 7 of the above decree says that the planting of new vineyards is to be authorized only in proportion to the population growth.

The other main objective of the decree is to assure a sufficient supply of sugar by prohibiting the distillation of alcohol from sugar beets, with the exception of times when wine production is not sufficient to furnish the requirement for distilled spirits.

Otherwise, Spanish legislation on this question is largely concerned with so-called analogical laws, that is purity of wines, proper viticulture, etc. There is no particular attempt to restrict consumption through licensing stipulations although, of course, some licensing system does exist.

There are no measures which could be regarded as public care of alcoholics except the commitment of drinkers with alcoholic psychoses to mental hospitals.

## PORTUGAL

The drinking pattern is very much the same as in Spain. I have no consumption statistics on this country.

In the north of Portugal there is a district in which the wine grown there is of too poor quality for sale in other districts and, as it is used locally only, it is extremely cheap. Coupled with this is the fact that the population in that district is very poor and they tend to obtain their calories from the cheap wine rather than from the more expensive proper foods.

This leads to what one may call nutritional alcoholism. This phenomena is restricted to this one small district and is not characteristic of Portugal as a whole.

The public health service of that country seems to think that they have no alcoholism problem whatsoever, but if one talks to psychiatrists one finds that while the problem is not conspicuous, it is of sufficient degree to warrant a special service for alcoholism in mental institutions. While this does not constitute public care of alcoholics in the proper sense, unofficially at least on the part of the psychiatrists, there is an attempt to provide facilities for the treatment of alcoholics on a voluntary basis.

## SWITZERLAND

Switzerland is a small country of about 4,800,000 inhabitants, and consists of 22 cantons which, if anything, are more independent than the 48 states of the U.S. It is pretty hard to talk about Switzerland as a whole, and one must talk really about each canton. There is, nevertheless, a federal aspect to the control laws as well as to the research and rehabilitation.

As far as control laws go there is a Federal Administration of Alcohol. In this respect alcohol means only distilled spirits. Federal legislation has little to do with wine and beer. Distillation of alcoholic beverages, however, is a federal monopoly. Now that doesn't mean that all of the distilled spirits are produced by the Federal Government of Switzerland; they may farm out distillation, but a great deal is distilled by the Federal Government itself. It is, therefore, a revenue means and quite a considerable revenue means. On the other hand, the Federal Alcoholic Administration has shown much sense of responsibility in this matter; and, while they try to produce revenue, they also try to keep consumption within reasonable bounds. One of their guiding principles, which also in previous control legislation has been very characteristic in Swiss alcohol policy, is the protection of food and protection of food materials. That goes back to the 18th century before there was federal control. The states of Berne, Basle, etc., placed very great restriction on the

use, for instance, of potatoes for distillation. There were many statutes which prohibited the use of potatoes even in private distillation, in order not to raise the price of potatoes. Potatoes are a very important staple food of the poor population and the cantonal governments and the federal government were and are concerned, first, about withdrawing too much of this food from food consumption; and second, to protect the price of it.

Generally in Switzerland distillation is from wine, potatoes and fruits; cherries, particularly, are a source of distilled spirits. The so-called Kirsch is made from cherries. They don't distill from grain mash. Whisky and gin are imported.

Also the Federal Alcohol Administration has made a very great effort to reduce spirit consumption through channelling enough of the wine and fruit away from distillation by subsidizing orchard owners and vineyard owners in order to produce unfermented beverages. The Swiss have developed the best techniques in this field. They produce a form of grape juice: the Swiss "grapeillon." They produce a lot of unfermented cider from apples and pears. The Alcohol Administration has put much money into this subsidization in order to increase the production of these excellent alcohol-free drinks which have grown in popularity in Switzerland.

Q. (Dr. L'Heureux) Does the government subsidize the advertising and propaganda for these fruit juices?

A. Yes they subsidize that.

Another federal agency is the so-called Federal Commission against Alcoholism. It is neither an administrative nor an executive body. They are purely a consultative body which is constituted of a number of scientists, physicians, economists and lawyers. They also subsidize research very generously. Otherwise the whole legislation as to licensing regulations and the rehabilitation of alcoholics, is in the hands of the cantonal governments. For a long time the hotel trade, restaurant trade, tavern trade, etc., were not free trades, but were subject to guild laws. Not anybody could be a hotel-keeper, tavern-keeper, etc. Then there came the transition to the free exercise of trade and when that came there was an enormous increase in taverns, cafes, etc., until it took on menacing proportions. Due to the objection of many citizens, among them many hotel-keepers, the Federal law was changed and restrictions were put on the exercise of these trades. Article 31 of the Swiss Federal Statutes in '85 restituted the rights of the cantons and restricted the free exercise of the tavern trade.

In 1931, this article 31 was substituted by article 32, which made the rights of the cantons much more clear than article 31 did. The cantons have the right to regulate off- and on-premises sales of alcoholic beverages, as the article says: "In accordance with the requirements of public welfare." Now various cantons have handled this in different ways, but generally have used their rights in order to decrease the number of outlets. The number of outlets is still high but much lower than it was, let us say, 50 years ago or even 30 years ago. If you take hotels, restaurants and other outlets, they come now to about one outlet to 180 inhabitants. It used to be much more and if you add to

it the small wine outlets, outside of hotels, taverns, cafes, it comes to about one to 120 inhabitants.

One of the things cantons tried to do was to restore the respectability of the tavern and hotel trade. For a long time, through centuries, the tavern owner, the hotel restaurant owner, was a highly respected citizen who played a role as a civic leader. But then when this free trade was introduced, anybody could become a tavern owner or a hotel owner, and undesirable elements crept into the trade. Cantonal legislation tried to restore the respectability of that trade by putting strings onto the requirements of the character of a licensee. These various canton's legislation differed quite a bit, but practically every canton required that any restaurant, hotel, bar, tavern, etc., must keep a reasonably large stock of alcohol-free beverages which are to be served at current prices without any mark-ups. That is very important because very frequently people who go to those places are obliged to order an alcoholic beverage even if they do not want it. When they have paid for it, they also drink it. This provision that they must keep a large stock of alcohol-free beverages has relieved that situation to some extent. I think it is a very wise stipulation.

What is retail and what is wholesale in Switzerland is a rather complicated matter. I won't go into that. But one thing I would like to mention is that in nearly all cantons the producer or vineyard owner has the right to sell his own production of wine without any license and without paying any fee, in certain fixed quantities; for instance, not less than two quarts. That varies, but generally the vineyard owner can sell his own production in small quantities, without a license and without paying any fee, *but that does not apply to distilled spirits*.

Q. (General Riley) He can sell to another retailer, he can sell to anybody?

A. Yes.

Q. (Mr. Bracken) How many such producing places are there?

A. I do not know exactly, several thousand.

Generally in Switzerland the license for the on-premise sale is related to the serving of food. It doesn't mean that you have to serve food to the person who orders a drink, but they must have food. Anybody can go and order a glass of beer without having food, but there must be food available. Now according to that you might think there are no bars, but there are plenty of bars. These also must have sufficient food, usually sandwiches. They have bars where perhaps they serve 500 glasses to 1 sandwich. Generally the conditions have been ameliorated in Switzerland very greatly. If one knows what it was in the past, one thinks it is wonderful today.

There is another phenomenon which is of very great interest. That is the so-called alcohol-free restaurants. That has been initiated by the temperance societies and is subsidized by the federal or cantonal governments. The Federal Administration of Alcohol gives 10 per cent of its income to the cantons under the condition that the canton will use 10 per cent of this contribution for the rehabilitation of alcoholics, for preventive measures, education, fostering of alcohol-free beverages and also the fostering of alcohol-free restaurants. How

the cantons want to divide that is their own business, but these are the main things for which the Federal Administration on Alcohol gives 10 per cent to the cantons and of which they have to use 10 per cent for these purposes. Some of the cantons have emphasized very strongly the fostering of these alcohol-free restaurants. I thought an alcohol-free restaurant would be a pretty dreary place; but it turned out that the Swiss, having had great experience in hotel and restaurant trade, have done a beautiful job and the alcohol-free restaurant is at least as pleasing and luxurious as the alcoholic beverage restaurant. Some of the alcohol-free restaurants in Geneva serve exclusive food. That has contributed quite remarkably to the reduction of the consumption of alcoholic beverages. It is a rather desirable thing. I have seen it also in Norway and in Sweden but the incentive for it comes from Switzerland.

Now let us get over the question of the *treatment* and the *rehabilitation of the alcoholic*.

Switzerland has a very large number of alcoholics. They have somewhere between sixty and seventy thousand alcoholics. For the adult population you have about  $2\frac{1}{2}$  per cent who are alcoholics. Outside of that you have also a problem in occasional excessive drinking. True alcoholism is more or less limited to the lower classes. You may find an intellectual, a big business man, or a lawyer among alcoholics, but that is a very sporadic occurrence and you can safely say that alcoholism is limited to the lower classes. Since for the whole population it is about  $2\frac{1}{2}$  per cent for all adults, it results for the lower classes in a very high percentage and a very menacing one. Even so, it is an enormous improvement on the past; 50 years ago it was much greater.

They have a very strong temperance movement which does worthwhile work. They have a large number of temperance societies and also vocational temperance societies such as the Society of Abstinent Railway Workers, the Abstinent Society of Teachers, and the Abstinent Society of Physicians.

The temperance societies, of course, go in for propaganda for total abstinence, but none of these temperance societies advocates prohibition. No one even dreams of it. They would like to see total abstinence but only voluntary abstinence through educational efforts.

## Alcohol Education

Now *Alcohol Education*. The cantons do not handle alcohol education but farm it out to the temperance societies and a part of that 10 per cent which they receive from the Federal alcohol revenue goes into the subsidy of temperance societies for their educational efforts, such as pamphlets, lectures and posters. The latter are of a high quality, but their pamphlets and lectures still leave much to be improved upon.

## Rehabilitation of Alcoholics

Out of the 22 cantons, 16 cantons have laws on rehabilitation of alcoholics and in all of these 16 cantons, the rehabilitation is compulsory, but that is not as bad as it sounds. Generally, the Office of the Public Guardianship is in charge of this. If a heavy drinker comes to the notice of the police, the

judiciary, the welfare department, etc., these various departments have an obligation to notify the office of the Public Guardian that so and so has come to their notice and in their opinion is either an alcoholic or is "endangered through alcohol." In that case the Public Guardian must make an investigation. He must get acquainted with that person and his family and he issues a warning. The Public Guardian also can forbid that person to drink any alcoholic beverages for the next three months. The length of time varies. He is even forbidden to enter a drinking place.

If he drinks in spite of this law the Public Guardian can propose to the Grand Council of the canton that this man should be declared a minor and that a Guardian should be appointed. The Guardian may be a social worker. While the Public Guardian can propose, the Public Guardian Office cannot decide. It must be the Grand Council that appoints the Guardian. That is based on the general law that anybody who endangers the welfare of his family through over-spending or irresponsible behaviour can be declared a minor. So naturally the alcoholic falls into that category. It doesn't require any special legislation. Now the Guardian, if he feels that this man is not going to get anywhere unless he is treated, can ask that this man should be referred either to a Consultation Bureau for Alcoholics, where he has more or less outpatient treatment, or he could be committed to a special institution for alcoholics. Unless he has a mental disorder, he cannot be committed to a mental hospital. If he has a mental disorder, of course, he goes to a mental hospital. The length of treatment varies from a maximum of six months to one year, with the possibility of extending it to two years. While the Guardian can propose this, the commitment has to be done by either the Grand Council or the Small Council, who will appoint the commission for hearing at which a psychiatrist or physician has to be present and the commitment is then decided upon the opinion of the attending physician or psychiatrist. These institutions for alcoholics are not cantonal institutions but are philanthropic institutions, but the cantonal government and the municipal government pay for the cost of the treatment, or at least a large part of it. The Municipality will perhaps take one-third of the cost, the Cantonal Government another one-third and perhaps the other third will be paid by the philanthropic society which maintains the institution, or by the patient.

In some cantons the health insurance agencies recognize alcoholism as a disease and pay one-third of the treatment, sometimes pay it entirely; but that is not an obligation of these health insurance agencies. If they do it they do it voluntarily. The large majority of the Swiss health insurance agencies do not pay for it. They say that alcoholism is a self-inflicted disease. There is an Act before the legislature now which would compel all health insurance agencies to pay one-third of the treatment.

Q. You mean you do not think alcoholism should be regarded as a self-inflicted disease?

A. No, it should not.

There is an association of social workers called "Fuhrrorgers" who handle alcoholics. They are teetotallers. This is a voluntary association (Fuhrrorgers) and they take charge of alcoholics in the various cantons. The Cantonal

Governments use part of their revenue from the Federal Alcohol Administration to subsidize the Society of Fuhrorgers, for the purpose of taking care of the alcoholics in their canton. These Fuhrorgers do not maintain a bed treatment but they see the alcoholic as frequently as necessary. They visit them in their house and at their place of employment. They visit the family and, if necessary, the Fuhrorgers will go to the office of the Public Guardian and suggest that the Public Guardian should propose a Guardian. But generally the Fuhrorgers try to avoid that. This welfare association takes care of alcoholics; they try to do the job themselves and try to avoid anything that interferes with the liberty of the man. Practically all cantonal legislation on the treatment of alcoholics greatly emphasizes that all agencies that have anything to do with alcoholics should try to induce voluntary treatment. These Fuhrorgers are extremely earnest people; and although they do not have very great training, they have tremendous experience and a very sincere interest in the matter. They try to protect the alcoholic against too much interference with his liberty. I am very much in favor of enabling acts, and I am very much in favor of guardianship for a man who endangers the welfare of his family. It is quite a natural thing to do that, and the possibility of this interference deters many of the heavy drinkers. The true alcoholic will hardly be deterred, but many heavy drinkers will be, and for that very reason, true alcoholism is greatly diminished. I would advocate the idea of such enabling acts, but with many, many facilities for voluntary treatment so that the compulsory treatment is only to be invoked when it cannot be avoided.

I should like to add that when the Public Guardian forbids a man to go into a drinking place or drink, all the drinking places are notified. Usually the Public Guardian notifies the judiciary and the police, and they notify the drinking places. In some cantons this list is made public. The social workers association who handle alcoholics are extremely opposed to the publication of names, and it only occurs in three or four cantons. The tavern owner, and the owner of a drinking place, who sells to a man who has been put on the "black-list," is heavily fined, and in case of several infractions of the law, his license is withdrawn.

Q. (General Riley) What if he unknowingly sold to such people?

A. Yes, that could happen and in that case he is not penalized. But in the smaller places, they know practically everybody.

Q. (Mrs. Whiteford) Is there a liquor commission store in Switzerland?

A. No, all outlets are licensed places.

Q. (Mr. Bracken) The state monopoly is in the manufacture?

A. The state monopoly covers only the manufacture of distilled spirits. It has nothing to do with beer and wine.

There are one or two interesting cantonal laws. Some cantons require that any contractor who works for the cantons should not sell either food nor drink to his workers and should not permit the drinking of alcoholic beverages on the place of work. In the building trade and construction trade there is an awful lot of heavy drinking. This law has contributed to a reduction. There are various such points in cantonal legislations which are pretty useful.



One thing that I deplore very greatly is the medical treatment is greatly neglected. These social workers in charge of alcoholics do not believe much in medical treatment. They like to do the whole thing. They do nice work, but medical work would be important. Of course there are medical hospitals in Switzerland where an alcoholic can come in voluntarily and where he receives good medical treatment. Some of the groups of the social workers do work in co-operation with some out-patient clinic. There are only three cantons in which there are cantonal out-patient clinics or cantonal consultation bodies. In the majority of the cantons, the cantons simply subsidize the welfare workers' society and let them take care of the alcoholics. Three cantons have a cantonal office. The specialized institutions for alcoholics all are private institutions.

(Mr. Bracken) The lesson from Switzerland then is largely a very fine handling of enabling acts and the guardianship idea.

Q. (Mrs. Whiteford) How do the people take it?

A. They have accepted it rather well. Some of the legislation goes back pretty far.

Outside of the funds which they use from these federal sources the cantons contribute themselves to treatment of the alcoholic. Altogether the municipality and the cantons contribute more than the federal government. You can say that they spend in Switzerland around six or seven hundred thousand dollars a year on the prevention of alcoholism.

Q. (General Riley) Is there any effort at uniformity in the cantons?

A. One canton learns from the other and the Federal Commission on Alcoholism, which is a consultative body, tends to bring about uniformity.

Q. They do not like the vineyard owner to distil for their own use?

A. No. There is some permit for private distillation of vineyard owners but not like in France. It would have to be a very large vineyard with a very large family. He would be allowed to distil a limited amount of spirits. This private distillation is very small.

Q. (Mr. McCrae) I was just wondering about this insurance business. Are these private enterprises, or are they subsidized by the government?

A. It is not like an American insurance group. It is not a private affair. It is more in the category of an insurance board under federal supervision. That is why in this new approach it is possible for the federal government to require that they pay also for the treatment of alcoholics. With the health insurance groups in America you could not make such stipulations.

Q. (General Riley) Is it voluntary insurance?

A. In some cantons this is an entirely voluntary matter, but in others, health insurance is obligatory. Everybody has to pay a certain percentage of his wages, and the employer has to pay a certain part.

Q. (General Riley) Do the companies have to accept any applicant? Can they refuse a bad risk?

A. In those cantons where health insurance is obligatory, the health insurance agency cannot reject a man. Where it is not obligatory, they can select them.

Consumption is fairly high. The average annual gross per capita for the period 1945-1949 (the last statistics available) was:

|                                         |     |        |
|-----------------------------------------|-----|--------|
| Wine.....                               | 37  | liters |
| Fermented Ciders.....                   | 35  | liters |
| Beer.....                               | 34  | liters |
| Distilled Spirits (at 50% alcohol)..... | 2.4 | liters |

Recomputed for the per capita of the adult population, this is:

|                                         |     |        |
|-----------------------------------------|-----|--------|
| Wine.....                               | 50  | liters |
| Fermented Cider.....                    | 49  | liters |
| Beer.....                               | 47  | liters |
| Distilled Spirits (at 50% alcohol)..... | 3.3 | liters |

This is about two and a half liters of absolute alcohol per head of the adult population. Since we have no good estimate of the number of total abstainers in Switzerland, I cannot give the per capita for actual adult consumers. Anyway, this total absolute alcohol consumption is about one-half of what it was around 1910, and practically one-third of what it was in the 1890's.

Around 1933 specially high taxation was placed on distilled spirits and this decreased the consumption considerably. However, when the general cost of living rose and everything cost more, brandy consumption rose again although it is still far below the 1923-1932 average.

The tax on distilled spirits cannot be raised much more without risking a serious bootlegging problem.

Q. (Mr. Bracken) Is there another plan now to further reduce consumption?

A. Yes. The cantons, and even the Federal Alcohol Administration, would rather have less income and see less drunkenness.

## FINLAND

Finland is a monopoly country, with the definite aim of eliminating the profit motive. Only the state can manufacture and sell liquor (distilled spirits). Only the state can import wine and distilled spirits. As far as beer goes, they can give brewing licenses, and there are a few licensed brewers, but the bulk of the beer is also produced by the state monopoly. Sales are handled in the state monopoly stores. There are no stores in rural areas; no retail stores, no wholesale stores, no distilled spirits, no beer. Recently as an experiment they have introduced the sale of beer in a small rural area to see what will happen. The results of that I haven't seen yet. It is the only sales experiment I know anywhere.

Sale of distilled spirits by the glass is permitted in certain licensed restaurants, but the quantity is limited. You can go into a restaurant and have your food, in which case you can order not more than 1/10 of a quart of distilled spirits. Of course you can go to another restaurant and have another sandwich and have another 1/10 of a quart.

Q. (Mr. Bracken) These licensed places have to sell by the glass. Is that only where there is food? Only with meals?

A. Only with meals.

Q. (Mr. Bracken) And there is some limitation on profits?

A. Their prices are regulated. There are very definite limitations on prices.

Q. If they can only serve 1/10 of a quart, that would control the profit.

A. They cannot press the sales because they cannot sell more than a deciliter.

They also have permit books through which they control the sales and if someone is buying too much he is summoned to the State Monopoly Office and warned. He may get a second warning, and the third time his permit would be withdrawn.

Q. Is there a limit placed on the amount he can buy?

A. It is discretionary. They do not tell him what is too much, but suddenly he is called in and told "you are buying too much." The third time they will withdraw the permit book and that means he cannot buy. He has to drink varnish, bay rum, denatured spirits, and they have a lot of trouble with methyl alcohol and wood alcohol poisoning. The withdrawing of permit books backfires.

The State Monopoly has a very hard job in paying its way and seeing to it that people don't drink too much.

They also have differing prices on spirits. They raised prices on spirits sky high and did not raise the price of beer and wine. For about 3 years it worked well and spirit consumption went down. Then as the general cost of living rose, the effect of the price of spirits did not work and consumption went back to the level of a few years ago just as in Switzerland.

There is rehabilitation of alcoholics. They have institutions where they can compel the alcoholic to take treatment but the treatment is not efficient. It is mainly on the social level.

AA is small but strong. The group of AA in Finland is the closest to the AA in America of all European groups, except Norway. Least different in ideology.

Spree drinking is their outstanding problem. Alcoholism proper is a small problem (below medium). The occasional excess is an enormous problem and is generally connected with violent behaviour. People working in lumber camps and isolated places, after 2 or 3 weeks, come into the city where they can buy liquor. The first thing they do is to take a few drinks and the knives come out.

Q. (Mr. Bracken) That isn't due to anything in their national character?

A. I wouldn't say national, but cultural. In America, the Finns are not violent, but they are awfully noisy. It is a very big problem, this criminal behaviour after a few drinks.

Q. (Mr. Bracken) Would other people under similar conditions of environment act the same?

A. Under the same cultural conditions and environment. It is where the cultural conditions demand such a degree of control, there is bound to be an explosion.

They also carry on research. They have a large research institute which is financed out of their surplus profits, and it is excellent research, especially

in the sociological field. They do a bit of psychiatry, but their main research is in sociology and economics.

## FRANCE

France is a wine drinking country, of course. In spite of the fact that 82 per cent of the total alcohol drunk is wine, 4 per cent beer, 14 per cent distilled spirits, this 14 per cent constitutes the largest distilled spirits consumption in the world.

The French are not only the greatest wine drinkers, but they are also the greatest distilled spirits drinkers. One of their greatest troubles, of course, is the old established custom that every wine grower has the right to have his still and his distilled brandy.

There are, in France, well over 3 million wine growers who are also distillers. Of course they are supposed to distill for the use of their home and not for sale. So outside of the industrial production of distilled spirits, brandy, etc., there are these 3 million private stills.

They wish now to decrease the number of these stills gradually until they abolish these private stills. The distilling interests are very strong.

Last summer the vintners of the south were barricading the roads because the government would not buy enough wine from them. So they just blocked the roads and all traffic was stopped in the south of France. They will have to do something in France, but it will take another 20 or 30 years, until public opinion has changed.

I mentioned to some of you that the Demographic Institute of France carried out a survey of the attitude towards drinking. Among other things, they asked men and women how much could a hard working man drink a day, and the answer that they got was 2 quarts a day. That would be 7 ozs. of absolute alcohol that he would drink a day. A child of 10 years could drink a half-pint of wine. The people think that while wine doesn't have medicinal value, it was good for one's health. That is a very deeply rooted belief. Under such circumstances, it is no wonder that a lot of people drink those two liters and even much more than that. There are about  $1\frac{1}{2}$  million adults who drink from 3 liters upwards a day. They spread it over the day from morning until they go to bed, so that at no time do they appear to be really intoxicated, but there isn't a minute of the day when their organism is free from alcohol and, of course, the body tissues become so adapted to alcohol that if that man would stop one day he would suffer from tremors. But he doesn't become drunk. He could become an alcoholic without ever having become drunk. A person doesn't become an alcoholic from having a highball a day, but those fellows who drink these large quantities and spread it over the day for 16-18 hours, and never appear to be drunk, they become alcoholics. There are always exceptions to the rule, of course.

At present in France there is one alcoholic beverage outlet for 86 inhabitants. So that you only have to reach out and get a bottle. Mendes-France would like to get this down; he would like to increase the number of inhabitants per outlet. In most countries it comes to around 1 to 400 or 1 to 500.

In the Nordic countries, Sweden, Finland, etc., it is 1 to 3,000 and that is very reasonable.

Of course the French do have legislation on distilling; how much a fellow can distill, and whether he can sell it or not, and various such things. Legislation exists, but you cannot call it restrictive control.

Mendes-France proposed that drinking places should be closed in the morning, should not open before 10 o'clock. The Frenchman thinks that only so-called "hygienic drinks" such as wine are drunk before 10 o'clock.

As far as public care of alcoholics is concerned, there is none. Various mental hospitals do take in alcoholics without mental disorders, not too many, but some hospitals do take them in and give them a bit of antabuse, etc., some of the health insurance groups have alcoholic dispensaries, or out-patient clinics, but that is not official. It is not governmental and it just happens that one or two of these health insurance groups do it. It is not what you would call a health insurance group. It is more or less compulsory health insurance. They are under government supervision but they are not government agencies.

The gross per capita consumption of absolute alcohol contained in wine, beer and distilled spirits in 1950 was 21.8 liters. For the adult population this means 30.7 liters and for the adult males 47.5 liters.

I am not computing anything for actual adult drinkers because the proportion of users in France is nearly 100 per cent of the adults.

The contribution of the wine to the total absolute alcohol consumed is 82.5 per cent; of spirits 14.2 per cent and of beer 3.3 per cent.

Q. (Mr. Bracken) Did you say that France has the highest alcoholism rate in the world?

A. Yes, the highest alcoholism rate in the world and the highest consumption.

Q. (General Riley) You stated that 14 per cent of the alcohol consumption was in the form of distilled spirits. Does that include the private stills?

A. That includes an estimate of that.

Q. Then they do estimate the amount of private stills?

A. The official statistics which come out in the Statistical Manual of France, given out by the Ministry of Agriculture, don't estimate it. The Demographic Institute does.

Q. There is a very considerable amount of distilled spirits in the private stills and some at home. In referring to the pattern of drinking, a man drinks 2 liters. I suppose most of those people also drink cognac as well.

A. That happens in some regions.

Q. In the urban centres, is there a greater proportion of alcoholism than the rural areas?

A. It is a very interesting phenomenon: Here and in the U.S. there is much less alcoholism in the rural areas. In France it is just the other way around. Most of the alcoholism is in the rural areas.

Q. But I thought possibly in the urban centres it would be concentrated and the higher alcoholic content would appeal to the men.

A. Yes, there is more of the apertif, and drinks of high alcohol content.

- Q. These people who drink that type of beverage, don't they show a greater sign of more drunkenness?
- A. There is more drunkenness from distilled spirits in the large cities. They show also a different pattern. The majority of wine drinkers are wine alcoholics. In the cities you find more of the type that we are accustomed to see in the U.S. and Canada.  
In the cities you see a different pattern: less alcoholism but more intoxication.
- Q. There is, say, comparatively little drunkenness in accordance with the amount of drinking. They do not place the responsibility upon the proprietor of the outlets to see that they don't serve to intoxicated people?
- A. They have a law that they are not to sell to a man who is drunk but "nobody is ever drunk."
- Q. What about drunken driving?
- A. They realize that it is one of the great causes of traffic accidents, but they do not do very much about it. The drinking driver will be punished more severely if he is drunk.
- Q. Do they take their licenses away from them?
- A. Yes, but it is very hard to convict a man of drunken driving in France.
- Q. They have made no attempt to keep alcohol away from minors?
- A. I believe that restrictions on sales to minors pertain to distilled spirits only.
- Q. (Dr. L'Heureux) What is the rate of alcoholism for the whole nation for all adults?
- A. It is over 5 per cent of the adult population. But if you figure that the males drink about 3 times as much as females, you have about  $7\frac{1}{2}$  per cent of all French adult males suffering from alcoholism.
- Q. Has the increase been fairly great?
- A. Yes, fairly great.
- Q. How much?
- A. In the last five years the rate of alcoholism must have increased around 50 per cent, which of course means that it goes back 10 years. Today's crop must have started 10 years ago.
- Q. There has been a gradual increase since the first world war?
- A. Yes. There was a peak in 1936, then it stayed about stable until the outbreak of the war. It went down during the war very heavily. From 1945 it went up.
- Q. (Mrs. Whiteford) The stories we hear, Dr. Jellinek, about the alcoholism in children. Are they true?
- A. Only in some regions of France. Yes, in some regions it happens that the kids come drunk to school, but it is not a widespread thing. It is limited to definite areas. Generally, the drinking of wine by children has decreased very much, but there is still too much of it.
- Q. (Mr. McCrae) They have a programme for educating the people to consume less alcohol?
- A. There is a group of physicians who are taking this matter tremendously

seriously and try to do some educational work. There is, on the other hand, a group of physicians who call themselves "friends of wine." They think wine is wonderful and that you cannot drink too much wine

- Q. (General Riley) What is the attitude of the church on heavy drinking?
- A. While the church has always been against drunkenness, they have not been against moderate drinking.
- Q. They are against drunkenness but are they not against the consumption of wine in quantity that gradually deteriorates the individual?
- A. The French clergy, having been brought up in that culture, wouldn't know that it is dangerous. The only drinking behaviour that would be conspicuous would be drunkenness.
- Q. But surely the Church must now recognize the problem?
- A. Not as a general rule, but in certain dioceses they do take a pledge from young people not to use alcoholic beverages up to 18 years. It is exercised in some dioceses.
- Q. (Mr. McCrae) They must recognize it as a problem or Mendes-France couldn't go as far as he has done?
- A. It is a very conflicting thing. In that survey I mentioned they asked people whether they thought that much damage came from drinking and the answer was "Yes." The French public recognize that much damage comes from drinking but on the other hand they don't think that it comes from 2 quarts a day. On the other hand, they think that wine is a very healthful thing. Distilled spirits might be pretty bad. They don't approve too strongly of that, but wine, no. However, the climate is getting better as far as public opinion goes.

## GERMANY

The problem was once great in Germany and the Germans did much research work in the physiological field and also in psychological areas and made a tremendous contribution to the knowledge on alcohol. The alcohol problem has, however, diminished very, very greatly.

How this came about, I don't know. We have very little material on it. The literature on alcohol in Germany used to be tremendous, and we used to be able to orient ourselves very well. Since 1939 that literature has shrunk to a few papers a year. They are mainly interested in drunken driving, the legal aspect of drinking drivers, but the great German alcohol literature has stopped since 1939.

Q. (Mr. Bracken) It is a beer drinking country?

A. Yes, Germany is predominantly a beer drinking country, but the per capita beer consumption is smaller than England, smaller than Belgium, smaller than Denmark or Australia, etc.

The gross per capita consumption of absolute alcohol from beer, spirits and wines in 1950 was 3.27 liters and for the adult population 4.8 liters.

I cannot give statistics for the actual adult consumers as I have no reliable estimates on the number of total abstainers.

The rehabilitation of alcoholics in Germany is not easy to generalize about. There are different procedures in the various provinces but, generally, the principle of guardianship for alcoholics does exist in most of these provinces but is handled differently from the Swiss way.

The supervision and treatment of alcoholics, with the exception of the treatment of acute alcoholism and alcoholic mental disorders, is more in the hands of social workers than of psychiatrists or other physicians.

There is an alcohol research institute at present in Berlin-Dahlem but I am not acquainted with its activities.

There is elaborate legislation on the licensing of drinking places. Generally, there is fairly easy access to off- and on-premises for consumption of all types of alcoholic beverages.

## ICELAND

Iceland had prohibition for quite a time but abolished it about 40 years ago, not so much on demand of the population, as for difficulties with foreign trade. Certain countries wouldn't buy Iceland fish because Iceland wouldn't buy their wine and spirits, and so they were really forced to give up prohibition. They have to buy wine and spirits in order to get rid of their fish.

You do find in Iceland quite a bit of "spree drinking," but not too much true alcoholism. During celebrations, on such occasions, the Icelanders can get into a tribal drunkenness. I have not been able to obtain statistics on alcoholic beverage consumption in this country.

Since April 15, 1954, a new law on alcoholic beverage control is in effect. The object of the new law is to prevent the abuse of alcoholic beverages and its consequences.

This law is administered by the Government in co-operation with a Council for "defense against alcohol." This Council consists of five persons, of whom four are total abstainers.

According to this law, any beverage containing less than  $2\frac{1}{4}$  per cent of alcohol by volume is not considered as an alcoholic beverage, and the manufacture and sale of beer is permitted only at a strength not above the above-mentioned alcoholic content. Beverages containing more than 21 per cent alcohol are regarded as "strong beverages" and below 21 per cent as "weak beverages."

The importation of alcoholic beverages is the sole privilege of the Government. The importation of beer is entirely prohibited. The manufacture of alcoholic beverages is generally forbidden in Iceland, but the Government may grant permission to manufacture some beer with an alcoholic content above  $2\frac{1}{4}$  per cent for foreign troops stationed in Iceland.

The Government monopoly sells the alcoholic beverages which it imports and fixes their prices.

Alcoholic beverage outlets remain closed on holidays and they also close on Saturday at noon.

On-premises consumption may be licensed for first-class hotels and restaurants which serve food and also carry a stock of alcohol-free beverages.



Every purchaser must prove through an identity card that he is at least 21 years old.

The new law provides treatment centres for alcoholics. For the years 1955-1956 the sum of seven hundred and fifty thousand crowns is provided and for the years 1957-1959 the annual budget will be fixed at  $1\frac{1}{2}$  million crowns.

The new law also requires instruction on the effects of alcohol in public schools.

## CHAPTER X

### CONTRIBUTIONS FROM SCIENCE

Introduction — What the Medical Sciences Know About Alcohol  
— Popular Misconceptions.

The history of the use of alcoholic beverages is many centuries old. The history of science in its relation to alcohol is largely confined to the last century and a half. The greatest progress has been made within the last century and the area of knowledge is being extended yearly.

The chief contribution of science has had to do with what alcohol is, what it does to man, and what it does to society. A historical record of what it does to society and how it is managed by organized society has been reasonably well told, but this aspect of the problem has had less scientific attention than has the physiological, psychological and medical aspects of the problem. We can find almost countless books on alcohol, alcoholism and related matters, but it has been almost impossible to find a widely acceptable formula for the details of a law that could be said to be best for any given type of community. Practically everything has been tried, nearly everything has been discarded many times in the course of the years, and no two countries, and almost no two states within a country, now have an exactly similar law.

There is no place to go to get a simple answer to the question as to what the details of Manitoba's liquor policy or Manitoba's liquor law should be. Through the decades and the centuries, a few principles have become more or less well understood and quite widely accepted. The successful application of any such principles depends, largely, upon the past background and present attitude of the people in the community or the country sought to be served.

The purpose of this chapter is to leave with the reader the views of some men who have made a scientific contribution to better understanding of the problem. Some principles of what some students of liquor legislation think the law should be is dealt with in Chapter VIII of this section and in all chapters of Section II of this report.

#### What the Medical Sciences Know About Alcohol

Dr. Haven Emerson, M.D., at the fourth session of the Institute of Scientific Studies, Loma Linda, California, dealt with the above subject. In doing so, he referred to four scientific contributions to the better understanding of alcohol in its effect on man.

These dealt with:

1. The Principles of Oxidation.
2. Alcohol a Depressant Not a Stimulant.
3. Caloric (Food) Value.
4. Small Amounts in Relation to Efficiency and Inferiority.

#### Principles of Oxidation

"It has always been an amazement to me that social and religious groups as early, and earlier, than the beginning of the nineteenth century took upon themselves a campaign on behalf of temperance, total abstinence. They were

consciously aware of the terrible social calamity from the use of alcohol, but they lacked practically all the facts upon which we can now base an intelligent and consistent social policy.

"It was not until about 1790 that the first essential fact of a scientific nature concerning ethyl alcohol was established. One of the great chemists of the world discovered the principles of oxidation in the human body, what we now mean by metabolism, the burning of substances in the body to produce heat and energy, the principles of combustion. That was Lavoisier.

"He was an aristocrat, who was appointed a tax collector. When the French Revolution occurred, he was unpopular, like other tax collectors. Nowadays, however, we don't take their heads off, but appoint them to still higher positions. But Lavoisier suffered the penalty of living in the time of the French Revolution. As a contemporary said at the time, 'It takes but a few moments of the guillotine to take the head off, but it would take many hundreds of years to find another of that quality.' And that's the way we naturally feel about Lavoisier. Lavoisier established the chemical formula for ethyl alcohol,  $C^2H^5OH$ . He determined that that was the character, description and structure of the molecule of alcohol.

"We will presently discuss the relation of alcohol to food uses or to food meanings, but remember that the alcohol molecule is incapable of being incorporated with any of the molecules of the living tissues of the human body. The molecules that break down from starches, fats, and all the different foods that we take, are capable, in the process of digestion and absorption, of becoming part of the tissues, thereby causing growth. They may also repair the damaged tissues or participate in the functional ability of those tissues. But the discovery that alcohol is  $C^2H^5OH$  was the first really important contribution that Lavoisier made some time before his head was taken off by the guillotine."

## Alcohol a Depressant Not a Stimulant

"In 1883, about a hundred years later, the next, and to my mind, the most important, the critical, the determining fact upon which our entire social program must be based, was the observation by Otto Schmeideberg. His name is revered in the study of medicine because he was the father of pharmacology. By the way, *pharmacology* is the science which determines the medicinal value and the use of drugs and other substances.

"Otto Schmeideberg was a professor at Strasbourg who worked on three interesting substances known as narcotics—alcohol, chloroform, and ether. He tried to find out how they work; what the differences were between them; and whether they worked directly upon what was thought of as consciousness, or whether they acted only on the muscles, on the sense organs, or on other parts of the body. He presented the results of these studies at an international physiological congress in Europe, and the statement of his which was made at that time means to us the beginning of a correct attitude toward the effects of alcohol on the part of users and observers.

"Otto Schmeideberg said that alcohol under no conditions is a stimulant, but invariably a depressant. That idea was revolutionary. Nobody believed it; the doctors laughed it off; there seemed to be no light in it. His observations, very simple ones, were based on a long, careful examination of experimental animals in the laboratory. He used the same precise methods of control which were used in all thorough physiological experiments. He observed that no matter what was the amount, what was the strength, upon what organ it was tested, or under what conditions it was used, the effect of alcohol was invariably to depress the body function of the animal.

"A colleague, a contemporary of his, a young man who had recently been appointed as the psychiatrist at a hospital in Stuttgart, made a similar experiment. Emil Kraepelin, a young psychiatrist, with a notable career afterward, indicated that all the effects on the human being of the use of alcohol could be explained on the basis of a selective depressant effect on the brain and the spinal cord. Of course, these are old facts to you; but within a short time, in fact within a year or two, the observation of Schmeideberg, from the laboratory point of view, proved that alcohol was a depressant. All the effects shown were those of a depressant and not of a stimulant. Then Kraepelin's observation showed that all the manifestations of alcohol could be explained by its selective action on the central nervous system.

"That was the beginning, and there has been no reversal, of those observations in the decades since. Those are taught today—what we speak of as behavior of the alcoholic or the manifestations of the selective action of alcohol on the central nervous system. Science was not sufficiently advanced then, nor can I say that it has yet gone all the way, to make it possible to say precisely what is the chemical or physical effect of alcohol upon the cells of the brain and spinal cord. Various theories have been expressed—some of them have been reasonable ones—but we cannot say positively why it is that alcohol depresses and interferes with the function of these parts of the body. But there is no possible doubt as to the results of alcohol, whether taken in small or large amounts.

"Now, of course, you are thinking right away, and everybody else did at that time, 'How is it, then, that if that's so, the heart beats quicker when a person has taken alcohol?' Why is it that a person seems to want to eat more if he has taken alcohol? Why is it that he talks more, laughs more, and becomes exaggerating in all his movements?"

"The wonderful quality in human beings of the power of the central nervous system to create inhibition, or self-control, is not found in the lower animals. If the organ that maintains self-control in the body is depressed, that body is released from the self-control. The nerve that we are all so much intrigued with in physiology, a complicated and important one, is called the vagus nerve. It carries two sets of fibers in it. Some of them go to the heart, and one of those sets tends to make the heart beat more vigorously, more rapidly; the other one tends to slow it down. If you use alcohol, the fibers which tend to slow it down are paralyzed before those that tend to make it go faster, and the heart is released from this steadying, regulating, quieting function of the very nerves that act as a governor to keep it from running away or racing. So there are explanations for all these different manifestations.

"If a person is so dulled in his head that he doesn't know when he had better keep his mouth shut instead of talking too much, he has an appearance of stimulation, of excitation, simply because his ability to restrain himself has been temporarily paralyzed, temporarily inhibited. The whole pattern of human conduct in a complicated society depends upon our knowing when not to do things, how to avoid making blunders of social excess, how to keep our mouths shut instead of babbling, how to smile instead of guffawing, or how to be moderate instead of excessive in all things. A giggling, babbling person who has gotten enough alcohol and doesn't know or care what he says or to whom he says it is suffering in the same way that the person is who sees two lamp posts where there is only one.

"There's a wonderful co-ordination at the crossing of the optic nerves. Ordinarily the eyes focus so that they get a single image of the bifocal adjustment upon a single object. If you paralyze that nervous capacity by a moderate amount of alcohol, you see two lamp posts instead of one. If you're driving a car, you've got to know which post to avoid. All the way through,

whether it's stumbling or clumsiness—it isn't that there's anything wrong with the feet, the muscles, or the joints—there has been a temporary paralysis, a depression of the central nervous system which control co-ordination.

"If each one of our muscles were allowed to operate alone, we'd be an awful looking sight. We'd be in all kinds of trouble, because the big muscles would overpower the little ones, and what the eyes see with their extremely delicate adjustment or what the hand does would be overcome by the great muscles of the shoulders and other parts of the body. Co-ordination, adjustment, and control are the functions of the central nervous system.

"When we say stimulation, we mean something very different from what we mean by depression. I must say just a word about what we mean by a stimulus. *Stimulus* is a Latin word. Its name comes from an ox goad, which was a stimulus to the Latin. This goad was usually an oak stick burned off, sharpened at the end by putting it in the fire and then rubbing it off. When the man drove his oxen he prodded this goad into the rear of the ox, and the ox was inclined to go in the opposite direction. So that is what was known as a *stimulus*.

"A good definition of a *stimulus* in physiology is 'a change of environment of sufficient steadiness and extent to cause the organism to feel a necessity for readjustment.' That's a very pretty way of saying that if somebody sticks you from behind, you go forward. Stimulation implies an increase of purposeful action, in strength, in rapidity, and perhaps in endurance. That is what we mean when we speak of a stimulus. A stimulation assumably ought to make something better. If you really have a purpose of driving a team of oxen to a place and you know where you're going, you stick them from behind and they go forward. The same way with ourselves. All of us have a purpose. If there is to be a stimulation in our action, that stimulation must be an improvement, leading to more effectiveness in our action.

"All these implications were included in those two observations of Schmeideberg and Kraepelin. It is upon them that almost all our modern conception or understanding of the effects of alcohol is built. Perhaps we might say that the reason people take alcohol is so they can behave in these fool manners—they like to be foolish. There are a good many people who don't know when they are well off. They don't know that their moderate capacities can't be improved by relieving them of the direction of the brain."

## Caloric (and Food) Value

"The next important scientific observation about alcohol came in an entirely irrelevant manner. It wasn't because of any study of alcohol; it was because of the new interest in the uses, qualities, and relative values of food-stuffs. A great research undertaking in this country was led largely by a physiologist named Atwater, who studied the caloric value of foods.

"When I say the caloric value of foods I mean their capacity to make heat, their energy capacity, their energy potential. This is not concerned with whether they make a person feel better or help him in other ways. This study of the caloric value of foods was carried out over a good many years. I remember when many restaurants posted a list of the caloric value of foods on their menus, so that people prone to be overweight would know what high-caloric foods to avoid. In the main, the idea of calories has permeated our general standard of living. People have an idea that babies can't be raised on tea, that a child can't grow strong and vigorous and perform functions without foods that have the necessary elements of growth, of nutrition, of production of heat and energy.

"The study of calories is simply a study of the heat-producing or energy-producing functions of the different foods. They have been studied as to their

relation not only to solid foods but also to drinks. Of course, it has been found that there is no food value in tea, no food value in coffee, except when milk and sugar are added. There is much food value in milk. Soups have food value, according to whether they are made with beans, beef stock, peas, or something else. Fat has about five times the number of heat capacity units that starch has, and meat also, per unit of weight.

"Now, what about these drinks? Doesn't beer add to the caloric value of a diet by giving added units of heat? Atwater studied alcohol as such. Anybody who has ever used an alcohol lamp on his laboratory desk knows that alcohol is capable of burning. I used to put it under the old tea kettle with its tiny blue flame to keep the tea kettle hot. All right, alcohol is capable of burning not only outside the body but also inside the body. Atwater found that alcohol in the body goes through a process of metabolism which results in the production of heat and is capable of use for energy.

"Now, does the fact that alcohol will burn make it a food? Of course, there is basis for some difference of opinion. The judgment that I have about it is based on the following reasoning:

"To my mind a food is something that is capable of making additions to the structures of the body. If it is something which causes heat or energy but can't cause growth or development, I don't put it down as food. Alcohol is incapable of contributing to the repair or growth of any body tissues. Therefore, I put it outside the food class.

"If something used for food causes an increase of energy, perhaps a capacity for heat, or increases heat, I've got to know whether it does harm in that process. Our foodstuffs in the process of metabolism ordinarily do not damage the body, whereas alcohol exerts, from the moment it is taken in until it is all disposed of in the body, its own toxic or harmful effects upon the tissues. It inhibits the functions of the body, especially the central nervous system, and every bit of alcohol that goes into the body, even though it may produce some heat and energy, does damage to the body as it goes. There are many men and some women who live on alcohol almost exclusively. A quart or a quart and a half of whisky a day will provide in a person who is otherwise properly nourished sufficient energy to keep him going. That doesn't mean that it serves a food function. It does damage to the body as it is taken in.

"From the moment that alcohol is taken into the body until it is all disposed of, in the course of ten or twelve hours, whatever it may be, according to the amount ingested, all that time the body puts into effect its machinery for elimination, for neutralizing, and for getting rid of the alcohol. That machinery is set into motion the moment alcohol is ingested. That isn't the way the body acts when foods are eaten. From the moment that milk, let's say, is taken into the body until it is all used up in the process of energy, it is welcome. The body knows how to use it. It can be distributed and used for repair, for growth, for development, and for storage. If a food is good—let's say one of the three great foods, like carbohydrates, proteins, and fat—its substance will be stored in the body for use. A person who eats a big meal of beef and potato stew takes an abundance of bread and butter and things with it, more than he knows he is likely to be using immediately. He has an appetite. Perhaps he has done a great deal of mountain climbing or whatever, and he wants to go ahead of the group. He wants to feel very comfortably shaped up so that if anything comes along, he will be ahead.

"Thus all foodstuffs are capable of storage. I haven't seen any reports in the scientific journals as to how alcohol can be stored, in spite of the fact that there are a good many people who are eager to learn how it can be stored. So far that crusade has been entirely unsuccessful. Many people feel that if alcohol could be stored, they would not need to be bothered with a bottle. But alcohol cannot be stored anywhere in the body. It goes into the body

and is immediately confronted by efforts to get rid of it. The process of dilution and oxidation is used to get rid of it as soon as the body can; perhaps that is the greatest safety in the situation.

"The body's mechanism of getting rid of foreign substances is astonishingly good. Our liver is a wonderful detoxicating organ. It will detoxicate many things we take in that aren't quite right, and save us from being injured by them. Alcohol is a toxic foreign substance capable of producing heat and energy, but not without damage to the body in the process. To my mind, therefore, the result of these caloric studies of foodstuffs is that alcohol is not a food.

"Any group of children in a school who have been instructed by an alert biology teacher will notice that little chicks, pigeons, rabbits, or any other creatures that are fed on a diet in which alcohol replaces normal foods, will not grow, will not develop. In some countries people have tried to initiate the small child into the use of beer and wine. In the United States for the last 50 years or more probably the most remarkable result of education in the field of infant and maternal care has been the persuading of mothers that beer and wine have no place in the growth, nutrition, or development of the child. If the mother is given alcohol to make her produce an inferior but large bulk of fluid milk, she doesn't help the baby, for this milk takes the place of other things that the baby should have. I repeat, we know that alcohol is not under any intent a food.

"The beers and the malt liquors contain what is known as maltose, a solution of carbohydrates not very different from a solution of potato or barley soup. There is a small amount of carbohydrate in beer, but it can be so less expensive to obtain in other ways that it seems a pity to put alcohol with it when it can be obtained without.

"The extent to which economics can upset people's eating habits was shown me when I was in Munich studying medicine some years ago. I found that during certain seasons the poor people could get their carbohydrate ration cheaper in their low-alcohol beer than they could in their potatoes. In other words, the liquor interests in Munich and that vicinity had so monopolized the trade that for a few pennies people could get a 2.5 per cent beer. They actually could drink that beer at less expense than they could buy potatoes. Of course, that was an exception in the economic condition, and certainly doesn't prevail now in this country.

"Remember, then, when alcohol is discussed as a food, the first question should be: 'Has it any caloric value?' Alcohol *is* capable of creating heat and being used for energy, but it is incapable of being incorporated into any of the living tissues of the body, or of being stored. It is treated by the body metabolism as a foreign substance, and expelled as soon as the body can do it. As long as it has the alcohol in it, the body will act as a depressed mechanism; and as soon as the alcohol is gone, the body resumes most of its normal functions. Very little residual damage to the tissues is found in the ordinary use of alcohol."

### Small Amounts in Relation to Efficiency and Inferiority

"There are two other studies that I will refer to, both in this country. The first one in 1918 was published by Dodge and Benedict in the classical monograph on the psychological effects of alcohol, done at the Carnegie Nutrition Laboratory at Harvard. Dodge was a psychologist, and Benedict was a physician, a student of tolerant value. They set themselves to see what were the effects, if any, of alcohol in very small amounts, amounts so small that the person who took them couldn't appreciate that there was any change being made in him. Most people who drink will tell you that in a few moments they feel the effects of alcohol.

"It is possible by use of flavors, glycerine, sugars, and other things to make up imitation alcohol doses, especially if the alcohol dose compared with it has a very small ratio of alcohol. A large number of men and women of various ages were tested, people who had consistently used alcohol, those who had never used alcohol, and those who had used it occasionally. The single conclusion was that these very small amounts of alcohol invariably slowed the reaction time of the body from 5 to 10 per cent, according to whichever tissue the alcohol was affecting. I really haven't time to go into all the details of what we mean by the reaction time and the automatic system of reflex nervous control, but you recall that when an object approaches your eye, you wink as a result of reflex action. It takes about a thousandth of a second for the whole chain of circumstances to occur which results in your winking eyelid to escape a possible damage to your eye from an article in the air. That is wholly unconscious, automatic—a reflex action. In its nervous system the body is so mechanized that during any threat to it in any of many ways—touch, taste, sound, or other influences—there is a mechanism available for prompt escape of damage. We just couldn't get along in the world if we didn't have this reflex mechanism, which is measured by the time it takes from the creation of a stimulus, a small point of irritation, until the reaction follows, such as the jilt of the elbow or the knee or ankle.

"But in this series of tests, Benedict and Dodge used delicate and exact time recording measurements. These scientists found that in all instances—those that are called subclinical, that is, effects of alcohol before it reaches the level of a person's own consciousness—alcohol in the small amounts invariably delayed the reaction time from 5 to 10 per cent. Does that mean anything to those of you who drive cars, or ride in other people's cars, or go in the air, or use planes at 600 miles an hour? You realize that in our functions many of us—whether in typing, playing the piano, using delicate and rapid instruments, or using recording and electrical measurements, or assembling apparatus—rely upon the rapidity or constancy of our reaction time, and those are of great importance.

"To my mind drunkenness is not merely a beastly social offense showing vulgar gluttony, an offense to the police, or an annoyance to the family. Drunkenness is a horrid, giddy, vomiting affair. To some extent this touches everybody who takes a little alcohol. It makes him at least temporarily a little inferior. That is the consideration which is important, and because some of us grew up as hewers of wood and carriers of water, and dug the ditches and used the heavy muscles of our body, we forget that our activities nowadays are mostly of an extremely delicate character requiring mental automatic nervous reactions of great reliability and great speed.

"In the year 1918 Dodge and Benedict introduced an entirely new conception by saying that alcohol is *not harmless* up until the drinker falls in the gutter. It is harmful at the beginning; it is harmful when any person takes enough alcohol to make him a little less capable of saving his life, body, function, or those of other people.

"In 1924, following the Dodge and Benedict studies, was the work of Walter Miles, of the University of California at that time, now at Yale, as a professor of experimental psychology. His studies showed even greater accuracy and thoroughness, and under the Carnegie Institution he entitled his monograph 'Alcohol and Human Efficiency'. That was the crux of the problem as was seen at that time. This was during the prohibition period, and he made his studies because of the statement of Congress that beer of 1.75 per cent alcohol was non-intoxicating. Miles didn't feel satisfied with this, because it is a question of what the definition of intoxication is and what the result is. Congress, who has caused us to suffer from time to time, often



gets a whirlwind idea which makes us wonder whether it is safe to let its members meet. Perhaps once every four years would be safe enough.

"In order for a person to become grossly physically incompetent with drinking this low-alcohol beer, he must have a large capacity to imbibe enough to become intoxicated. It can be done; it has been done. There are plenty of people in the world who have this capacity and this interest. However, it takes a little determination, because a person must drink quite a bit. If the rate of absorption were slow, the person might obtain so little effect at any one time that he wouldn't show the common public manifestation of alcoholic influence.

"Miles found that alcohol in small amounts invariably caused human inferiority. He applied his tests more to the ordinary pursuits of people—the stenographers, the typists, the people in the assembly plants, the people doing memory work, adding of sums, taking of dictation, or attempting to get so many words typed in an hour or a minute. In every kind of test the person, after the use of alcohol, did worse than he did before he had drunk. That is a permanent standing statement that is worth keeping in mind. You may hear somebody say, 'I found a way of using alcohol in which it does not result in inferiority.' Up to the present time no such person has turned up. A careful test, whether in athletics, the military, or any other kind of competition, industrial or any other, shows that alcohol's use invariably leads to poorer performance.

"We must realize that these are things of scientific concern, and are important in forming our general social attitudes, our general principles, and our philosophy of social conduct. Alcohol is a depressant, a narcotic drug, capable of developing habit formation selectively damaging and of interfering with the functions of the nervous system. So far as we know, alcohol is incapable of adding to the health or performance of any living tissue at any age of human life. Remember, I am not dealing with the sick; I am talking of healthy people, and am assuming that if alcohol has any good, it will improve health. Alcohol is a drug; it has been used as such. It has been very largely reduced in this use though. It is still, and I think very unsuitably, used in place of other drugs that might be used to advantage. It is used commonly because it is handy, not because it is the best thing or because it is necessary. But these principles and the sequence of scientific facts I have outlined seem to me to underlie our plan of action and are basic to any pattern of education which we may undertake.

"I must say one other thing, not in a weakness, but in a conviction, that example is infinitely more powerful than precept, and I would beg you to remember invariably that it is not safe to have precept taught in the school-room when the example of the schoolteacher outside is entirely different. Precept is valuable, it is one means of education; but example is the only way we shall ultimately prevail."

## POPULAR MISCONCEPTIONS ABOUT ALCOHOL

Dr. H. H. Hill, Executive Director, Washington State Temperance Association, has brought together certain current opinions under the above heading and has quoted a scientist's answer to each as follows:

1. **POPULAR MISCONCEPTION:** Alcohol is a stimulant in the human body.

**FACT:** "Alcohol in whatever concentration, on whatever circumstances, is always and inevitably a depressant."—Dr. Haven Emerson, Columbia University.

2. **POPULAR MISCONCEPTION:** Most alcoholics come from the lowest social strata.  
**FACT:** "Most of the true alcoholics are in the middle or upper income brackets. No more than ten per cent are the 'skid row' type and some of these were once successful men in various walks of life."—Mrs. Marty Mann, Executive Director, National Committee on Alcoholism, New York City.
3. **POPULAR MISCONCEPTION:** Only people who are mentally unbalanced or socially maladjusted become alcoholic.  
**FACT:** "Sixty per cent of the inebriate population come from entirely normal origin and become alcoholic only in the course of drinking."—Dr. E. M. Jellinek, World Health Organization, Geneva, Switzerland.
4. **POPULAR MISCONCEPTION:** The craving for alcohol is inherited.  
**FACT:** "Is the craving for alcohol inherited? If we wish to take advantage of technicalities, our answer would be 'no, it is not inherited.' We could make this answer because abnormal drinking and the craving for alcohol are acquired traits and acquired traits are not inherited. If, however, we phrased our question another way it would perhaps express more clearly what the reader has in mind on the subject and the answer would be different. To the question, are the children of alcoholics more apt to become alcoholics themselves than are the children of temperate parents, the answer is definitely 'yes'."—"Alcohol, Heredity and Germ Damage," Laboratory of Applied Physiology, Yale University.
5. **POPULAR MISCONCEPTION:** Strong exertion of the will-power will assure the drinker control of his drinking habits, thereby making him immune to addiction.  
**FACT:** "No human being may be considered as immune to addiction."—Dr. Robert Fleming, Harvard Medical School.
6. **POPULAR MISCONCEPTION:** Alcohol will provide body warmth for the individual exposed to cold.  
**FACT:** "The warmth is of sensation only; there is no increase in the rate at which heat is produced in the body but, because of the greater flow of blood to the skin there is an increased loss of heat. There is thus no truth in the common belief that a drink will 'warm up' a man who has been chilled by exposure."—Dr. H. W. Haggard and Dr. E. M. Jellinek, Yale University.
7. **POPULAR MISCONCEPTION:** Alcohol is an effective medicinal agent in treating colds, snake bites and shock.  
**FACT:** "Contrary to widely held popular belief, alcohol has no curative action for snake bites, head colds, or shock."—Dr. H. W. Haggard and Dr. E. M. Jellinek, Laboratory of Applied Physiology, Yale University.
8. **POPULAR MISCONCEPTION:** The principal effect of alcohol is upon the stomach, heart and liver.  
**FACT:** "It is the influence of alcohol in the brain and spinal cord that is the most damaging."—Dr. Haven Emerson, Columbia University.

9. **POPULAR MISCONCEPTION:** Alcoholic beverages are vital in the treatment of many diseases.

**FACT:** "At one time alcohol had a considerable place in medicine as a valued therapeutic agent. Today it has little place."—Dr. H. W. Haggard and Dr. E. M. Jellinek, Yale University.

**FACT:** "The consumption of alcohol for medicinal purposes has been going down steadily and is still going down. The better the hospital the less alcohol is used."—Dr. Haven Emerson, Columbia University.

10. **POPULAR MISCONCEPTION:** The drunk driver is more dangerous than the driver who has had only a drink or two.

**FACT:** "The really dangerous driver is the man who has had one or two drinks only, who still thinks he is in possession of his faculties, but whose driving judgment has been impaired. On the highways, the moderate drinker is more dangerous than the immoderate."—Robbins B. Stoekel, Commissioner of Motor Vehicles, Connecticut.

11. **POPULAR MISCONCEPTION:** Alcoholism is relatively unimportant in the United States compared with other health problems.

|                                      |                        |
|--------------------------------------|------------------------|
| <b>FACT: Victims of Cancer</b> ..... | 600,000 <sup>1</sup>   |
| Victims of Tuberculosis.....         | 700,000 <sup>1</sup>   |
| Victims of Alcoholism.....           | 4,000,000 <sup>2</sup> |

12. **POPULAR MISCONCEPTION:** Moderation is the solution to the alcohol problem.

**FACT:** Dr. Ivy points out that the following are false assumptions of the moderation theory:

- a. That the moderate use of alcohol will not result in alcoholism or create other problems.
- b. That moderation will be means of reducing highway accidents due to drinking.
- c. That moderation has not been promoted in the past.
- d. That the consumption of alcohol meets a real need of man and that drugging of the brain is desirable.
- e. That the pleasure which drinking promotes is worth the risks involved.

**FACT:** "Distillers insist they want people to drink in moderation, but they can't, or at least do not, tell them how to do it. It is the moderate amount of alcohol that breeds sexual promiscuity, reckless driving, and complacency. It is the moderate amount that breeds loose talk which divulges secrets, leads to insults, and fogs thinking. Drinking in moderation is not scientific and is not factual."—Dr. Andrew C. Ivy, Vice-President, University of Illinois.

### Other Scientific Views

Many other contributions by Science have been made to a better understanding of alcohol and its effects on man and on society. They will be found in many of the books and reports referred to in the Appendix. Some will be found in Chapters III to X and others in various sections of this report.

1.—Dr. Andrew C. Ivy, Vice-President, University of Illinois.

2.—National Committee on Alcoholism, New York City.

## CHAPTER XI

### OPINIONS OF SPECIALISTS

Introduction — Extracts from Twelve Eminent Specialists,  
University of Virginia Report — Excerpts from "Manual for  
Teachers," H. H. Hill, Washington State Temperance Assn.

At the outset of the Commission's task, it sought to understand the problem it was asked to deal with. The works of many authorities were studied. The numerous books and reports reviewed do not permit of summarization in this report. It was thought desirable, however, to bring together for the information of others some brief but pertinent statements from some of the many eminent students of the liquor problem.

These brief extracts touch on but small segments of the complex problem. We have not attempted to put the thoughts of these men in our own words, preferring to present their views as stated and let them carry their own message to the reader.

The first group of extracts will be found in "Alcohol in Moderation and Excess." This book was prepared under the direction of eight university men, four from the Medical Department of the University of Virginia and four from the Medical College of Virginia. They had been asked by the Senate and House of Delegates of the State of Virginia to make the necessary investigation and furnish the State Board of Education with actual information as to the effect of alcohol upon the human system in respect to both moderate and excessive use.

As a part of their report they included quotations from the writings of twelve eminent specialists and authoritative bodies as follows:

#### ABSORPTION, CONCENTRATION, AND SOJOURN OF ALCOHOL IN THE BODY

"Alcohol is absorbed readily, and oxidized in the body to carbon dioxide and water. Even from the stomach, from which absorption is usually slight, about 20 per cent of the ingested alcohol may be absorbed. After absorption the greatest amount is found in the blood and the central nervous system. When the blood contains 0.12 per cent it causes some confusion or stupor, but as much as 0.72 per cent has been found in a case of fatal intoxication. More than six parts per one thousand (0.6%) in the blood invariably proves fatal. It is said that if stupor or unconsciousness after a drinking bout lasts over 10-12 hours, recovery rarely takes place. Traces remain in the blood for twenty-four hours, but ninety-five per cent of the amount ingested is oxidized."

*"Pharmacology and Therapeutics" by McGuigan  
(1928), permission of W. B. Saunders Co. as  
quoted by Waddell and Haag in "Alcohol in  
Moderation and Excess".*

#### EFFECTS ON THE BRAIN OF SMALL AND LARGE QUANTITIES OF ALCOHOL

"Alcohol is not found by psychologists to increase the quantity or vigor of mental operations; in fact, it clearly tends to lessen the power of clear and consecutive reasoning. In many respects its action on the higher functions of the mind resembles that of fatigue of the brain, though with this action is associated a tendency to greater motor energy and ease.

"In speaking of a certain type of individual James says: 'It is the absence of scruples, of consequences, of considerations, the extraordinary simplification of each moment's outlook, that gives to the explosive individual such motor energy and ease.' This description aptly applies to the individual who is under the influence of a 'moderate' quantity of alcohol. It tends to turn the inhibitive type of mind into the 'hairtrigger' type. We have said that the speech and the bearing of men, the play of their features, all bear witness to the action of alcohol on the brain; that it removes restraints, blunts too acute sensibilities, dispels sensations of fatigue, causes a certain type of ideas and mental images to follow each other with greater rapidity, and gives a 'cerebral sense of richness'.

"Larger quantities, such as are for most individuals represented by one or two bottles of wine (ten per cent of alcohol), may, according to the resistance and type of individual in question, cause a lack of control of the emotions; noticeably affect the power of attention, of clear judgment and reason; and decidedly lower the acuteness of the several senses. In many individuals such quantities will develop so marked an anesthetic action that all phenomena of intoxication may be seen to follow each other in due sequence, finally to end in the sleep of drunkenness." Dr. John J. Abel in the "Human Mechanism", permission of Ginn & Co.

"Within the past forty years there has been a great change in the views of the medical profession concerning the pharmacology of alcohol. Formerly regarded as a stimulant, alcohol is now classed as a depressant along with ether and chloroform. This change has resulted from improved methods of study and from new viewpoints in physiology and pharmacology. Among the most important of the latter is the recognition that the animal body makes extensive use of inhibitory processes; numerous physiological activities are normally kept slowed down by higher controlling centers. When the latter are depressed by alcohol, ether and so forth, the lower mechanisms are 'released' with the resultant signs of stimulation such as increased activity, a more rapid heart action, etc. In other words, alcohol takes off the 'brakes' and allows the parts of the machinery to run faster; the result in many respects is the same as true stimulation, but there is this important difference: taking off the brakes will not help the machine to run up hill as will a true stimulant. This newer view of the action of alcohol has little bearing upon the possible usefulness of the drug in health and disease, for a depressant drug may be as valuable as a stimulant; it simply shows that proper discrimination must be employed in its use."

*"Pharmacology of Alcohol" by Reid Hunt, Jour. Industrial and Engineering Chemistry, vol. 17, p. 427 (1925), permission of the American Chemical Society, as quoted by Waddell and Haag in "Alcohol in Moderation and Excess".*

## CORRELATION OF EFFECTS OF ALCOHOL WITH ITS CONCENTRATION IN THE BLOOD AND URINE

"These correlate closely in a given individual so that they may be used as a chemical test for drunkenness; but different individuals do not react quite equally. The following compilation gives the usual range of responses, to increasing blood concentrations; for the urine these would average a third higher. In translating these back to dosage, it may be accepted that the alcohol concentration of the blood is practically in simple proportion to the quantity taken, and that between half an hour and five hours after taking it, 0.01 per cent of alcohol in the blood corresponds to a dosage of 10 cc. of alcohol,

or an ounce of whiskey, or a 12-ounce (300 cc.) bottle of beer. The compilation indicates little if any change below 0.01 per cent; somewhat decreased competence with 0.015 per cent, and definitely decreased competence with 0.06 per cent; with 0.1 per cent a third of the subjects are diagnosed clinically as inebriated; and at 0.15 per cent half are so diagnosed. This is generally accepted as a 'critical concentration' for the chemical diagnosis of drunkenness, i.e., 0.15 per cent in the blood, or 0.2 per cent in the urine, or 1 mg. per liter of expired air; corresponding to 150 cc. of alcohol, or about a pint of whiskey or about 10 bottles of beer. This may be justifiable for a basis for legal action, but it should be remembered that a third of the subjects reach this stage with two-thirds of the concentration and that a tenth of this quantity impairs judgment."

*"Manual of Pharmacology" by Sollman (1936), permission of W. B. Saunders Co. as quoted by Waddell and Haag in "Alcohol in Moderation and Excess".*

## EFFECTS OF ALCOHOL ON THE DIGESTIVE SYSTEM

"The divergence of opinion exists only in regard to the effects of small quantities, for all are agreed as to the deleterious action of any but moderate doses of alcohol on the digestion. After large quantities (50 cc.) the irritation of the stomach wall leads to a profuse secretion of mucus and to gastric catarrh. The nausea and vomiting may arise in part from the local irritation, but it is probable that the nervous centres are also involved directly, for these symptoms occur also under the anesthetics in which there is no local irritation of the stomach. A large dose of concentrated alcohol sometimes leaves evidence of its irritant action in redness and injection of the mucous membrane, and, it is said, in ecchymoses, but in most cases of fatal poisoning no such appearances are to be observed after death."

*"Cushny's Pharmacology and Therapeutics" by Edwards and Gunn (1936), permission of Lea and Febiger, as quoted by Waddell and Haag in "Alcohol in Moderation and Excess".*

"One to two per cent solution increases peptic digestion. Up to 15 per cent there is no perceptible retardation, but 20 per cent causes marked retardation. Up to 10 per cent it temporarily stimulates the secretion and the quality of the gastric juice, but long continued use of alcohol may cause gastritis. Above 20 per cent it decreases secretion and increases the amount of mucus.

"Because of the irritation of the mouth, secretion of saliva is increased, just as after ether, acetic acid, and other irritants. Gizelt (1906) claims that in the intact animal pancreatic secretion is stimulated by moderate doses of alcohol.

"In the form of light wine its use may be beneficial in the atony of the stomach which often follows acute illness, overwork, or in senility. The probability of habit formation in these cases should be kept in mind."

*"Pharmacology and Therapeutics" by McGuigan (1928), permission of W. B. Saunders Co. as quoted by Waddell and Haag in "Alcohol in Moderation and Excess".*

"1. In so far as they stimulate the appetite, alcoholic beverages induce a psychic secretion of gastric juice, rich in acid.

"2. While in the stomach, alcohol in 10 per cent dilution has little if any effect upon the digestive chemistry or the motor activity, but produces an acid

secretion; alcohol above 20 per cent strength and the wines and malt liquors tend to retard secretion and the digestive chemistry. Alcohol in 50 per cent strength is carminative, but in the empty stomach tends to produce a peremia and a secretion of thick mucus.

"3. In the presence of food, the alcohol is diluted, and its absorption and activity are lessened.

"4. After absorption from the stomach alcohol induces a flow of gastric juice rich in hydrochloric acid and poor in, or devoid of, pepsin; the same qualitative result being obtained, though less in quantity, when alcohol is given by rectum or injected directly into the blood.

"5. Long-continued drinking of strong liquors tends to produce chronic gastritis."

*"Materia Medica, Pharmacology and Therapeutics" by Bastedo (1932), permission of W. B. Saunders Co. as quoted by Waddell and Haag in "Alcohol in Moderation and Excess".*

## THE FOOD VALUE OF ALCOHOL

"(1) When fat or carbohydrate is deficient in the food, alcohol can entirely compensate for the deficiency, at least for a short period. (2) Alcohol spares protein and can prevent tissue waste. (3) When alcohol and food, whether fat, carbohydrate or protein, are administered together above the needs of the body, the alcohol is the more readily utilized and the first to be burned, thus sparing the food substances. (4) Alcohol added to food beyond the caloric requirement results in the storage of fat.

"Alcohol cannot build up tissue, but it can spare or replace fats and carbohydrates in the food, and can prevent excessive protein destruction (tissue waste) for a time. It may, therefore, serve as a useful food in some conditions of great waste or exhaustion, where the tissues would otherwise be broken down to furnish the energy to maintain life. But in any case alcohol cannot be a profitable food for any great length of time, because of its central nervous effects, and because it causes too marked wear and tear on the body structures.

"Alcohol, therefore, under special circumstances, may have a food value; but it should not be classed among the foods, because its property of yielding energy is not its dominant property, and is overshadowed by important pharmacologic actions, viz.:

1. Its irritant local action.
2. Its destructive action upon the body tissues.
3. Its narcotic action.
4. Its proneness to result in the formation of a vicious habit.

"All these dominant properties place alcohol among the powerful drugs and poisons, rather than among foods."

*"Materia Medica, Pharmacology and Therapeutics" by Bastedo (1932), permission of W. B. Saunders Co. as quoted by Waddell and Haag in "Alcohol in Moderation and Excess".*

## EFFECT OF ALCOHOL ON DURATION OF LIFE

"1. Total abstainers who have always been so are, on the whole, longer lived than non-abstainers.

"2. Moderate users of alcohol, who touch it only occasionally and then in moderation, are probably as long lived as total abstainers, provided they always maintain moderate habits in all phases of living.

"3. Those who drink moderately, say, an average of two glasses of beer or one glass of whiskey per day, have a higher mortality than the average, partly due to a percentage of them eventually exceeding this moderate consumption.

"4. Those who drink occasionally to the point of intoxication, or who have a few protracted sprees yearly are distinctly shorter lived than the average.

"To these conclusions may be added the opinion of the Committee of the Medical Research Council of Great Britain in its report of December 12, 1923: 'The temperate consumption of alcoholic liquor . . . may be considered to be physiologically harmless in the case of the large majority of normal adults,' and 'It is certainly true that alcoholic beverages are in no way necessary for healthy life; that they are harmful or dangerous if certain precautions are not observed,' and that 'They are definitely injurious . . . for most persons of unstable nervous system'."

*Quoted from Emerson's "Alcohol and Man" (1935), permission of the MacMillan Co., as quoted by Waddell and Haag in "Alcohol in Moderation and Excess".*

"It may be considered as probable that a certain amount of alcohol (variable in individual cases) may be taken daily without any demonstrable permanently injurious effect. But it stands equally certain that it is as dispensable (unnecessary) to the organism as nicotine or caffeine, and that it must be looked upon purely as a luxury. The injury done by such use of alcohol lies chiefly in the fact that it is so apt to lead to the use of immoderate amounts. Alcohol has been blamed for many things without adequate evidence."

*"Manual of Pharmacology" by Sollman (1936), permission of the W. B. Saunders Co. as quoted by Waddell and Haag in "Alcohol in Moderation and Excess".*

## THE SITE OF THE INJURIOUS EFFECTS OF ALCOHOL

"1. The main damage caused by alcohol is to the central nervous system. This is probably due, chiefly, to its action on the high fat content of the cells of this system. The effect is mainly a functional one, resulting most obviously in motor inco-ordination, even after small doses. If there are structural changes, they can rarely be recognized by our present methods of investigation. Serious anatomical defects in the nervous system due solely to alcohol are seldom seen at autopsy.

"2. Other than its effect on the nervous and digestive systems there is a lack of evidence that either the temporary or prolonged use of alcohol, even in large doses, is the specific or sole cause of any disease.

"3. It should be borne in mind that all or any part of the tissue changes and the diseases described as occurring in acute or chronic alcoholism may be absent in the bodies of drunkards, and furthermore that the same changes and diseases when found at autopsy may be due to other causes.

"4. There is no indication that alcoholic beverages of good quality, in which the alcohol is of low concentration, or at least has been suitably diluted when taken, and if taken in moderate amounts in proper relation to food and at sufficiently long intervals, does serious bodily harm.



"If it were not for the machine age in which we are living, the alcohol problem would quickly simmer down to one of abuse and moderation. No one of intelligence can defend its abuse. The proper use is, and will always be a matter of persistent education."

*Quoted from Emerson's "Alcohol and Man" (1935), permission of the MacMillan Co., as quoted by Waddell and Haag in "Alcohol in Moderation and Excess".*

"The signals of warning of morbid involvement are: Evidence of dependence on drink to avoid discomfort—the very occasion on which the drinker does not want to be interfered with; a prevailing feeling of the need of a stimulant; a craving for forgetting oneself and one's burdens; difficulty of sleep, with disturbing dreams; tremor and diffidence, which may all be alcohol effects, themselves to be dispelled by more alcohol, in a vicious circle. Other signals are failure to rise to the demands of social and working responsibilities, infractions of traffic rules, a tendency to lowering of standards shown in lapses of demeanor and actual criminal involvements, further fluctuations of mood dependent on alcohol, the drop from elation to misery of 'the day after' with suicidal rumination, or vindictiveness and suspicions toward others and a correspondingly disgruntled attitude. The real breakdown of the deceptive helpfulness of more drinks shows in the progressive paralyzing effects, for it is but a release from tension and not constructive help that can be expected."

*Quoted from Emerson's "Alcohol and Man" (1935), permission of the MacMillan Co., as quoted by Waddell and Haag in "Alcohol in Moderation and Excess".*

"The more severe forms of chronic alcoholism are confined almost entirely to the drinkers of undiluted spirits. Beers and wines seldom cause any distinct lesions in the brain themselves, unless spirits are indulged in. The abuse of the weaker preparations is always liable to lead to that of the stronger, however, as tolerance is established and the former lose their effect. The combination of spirits and malt liquors is said to be more liable to produce delirium tremens than the abuse of either alone."

*"Cushny's Pharmacology and Therapeutics" by Edmunds and Gunn (1936), permission of the Lea and Febiger, as quoted by Waddell and Haag in "Alcohol in Moderation and Excess".*

## WHY ALCOHOL INCREASES THE NUMBER OF ACCIDENTS

"Accidents cannot be anticipated; they follow from freak bits of behavior and are difficult to investigate fully. After an accident even those who participated usually have the feeling that it was wholly unnecessary and could easily have been avoided. The mental shock of the accident produces a state of alertness in the implicated and this may eventually mask or alter a condition in one or more which contributed to the mishap. This sudden change in the organization of behavior can occur at least in the alcoholized person to such an extent that his previous toxic state may be unsuspected. But even so, in 25 to 40 per cent of cases where drivers' licenses are suspended or revoked it is on the charge of intoxication, and to alcohol is directly attributed 7 to 10 per cent of all fatal highway traffic accidents. Alcohol accidents seem an avoidable loss if humans would generally recognize that alcohol depresses and anesthetizes the higher mental functions. The omnipresent motor car is unfortunately a mechanism through which the alcoholized brain and nerve

centers of an even slightly intoxicated driver may function in a manner the more dangerous because it often passes unrecognized. It has been adequately shown even in the few experiments reviewed in this chapter that alcohol taken without food in amounts not exceeding 30 cc. or 24 gm. (equivalent to 2 oz. whiskey), produces a sufficient depressive action in most people to interfere somewhat with various mental functions; vision is impaired; the field of attention is narrowed; mental associations are slowed; and even if sleepiness is not produced the attentive consciousness tends to be so occupied with subjective feelings and thoughts that the individual is not easily aroused by the noises, lights or movements in his environment. In general, quite aside from the difficulties with voluntary muscular control, the slightly alcoholized person, driving on the highway resembles in his behavior tendencies the absent-minded, much introverted individual found by test to be accident-prone. A feeling of "remoteness" from the outside world and the sense of being cosily wrapped up in their own pleasant thoughts are not the ideal subjective states for drivers who mingle in the traffic with other drivers, most of whom expect quick perception and prompt responses on the part of persons whom they pass or meet. Highway traffic is conducted on a basis of mutual confidence, which is by no means belief in the ability of automobiles to drive themselves, but rather assumes integrity of mental and muscular habits on the part of normal drivers and entertains the profound wish that the mentally abnormal would keep off the road.

"Under alcohol an individual not infrequently observes himself doing odd things; he feels no special responsibility for these irregularities in behavior, and he may even find amusement in observing them. Coupled with this condition there is instability and limpness of the knees and lower limbs, especially evident in standing and walking. Because the effect of alcohol is greater on the legs than on the arms a toxic state is evident in the pedestrian when it may be unobservable in a person sitting at a steering wheel. But because the partially inebriated driver is less ready in the use of his feet on the pedals and less expert in his foot control of the gas, he is apt to try to control the car by movements with his arms and hands alone. He does not 'feel like shifting or slowing down'. He tries to pass other cars and usually succeeds because sober drivers give way. But all the king's horses and all the king's men can't possibly change the position of the road curves, fences, telephone poles, and railroad crossings often or quickly enough to meet the changing intentions of drivers who are under the influence of alcohol.

"Unless genuinely frightened or sharply checked by a sudden recognition of his responsibility, the person who has ingested alcohol has no adequate sense of his own status as a driver. One of the most certain psychological results which alcohol confers upon its host is the sense of selfsufficiency: 'What men dare, I dare'. This overevaluation of personal powers is a big factor in producing pompous speeches and loud songs in some groups of drinkers, vigorous quarrels and fist fights in others. And the drinker who wants to drive his car home or to the city thinks of course he is able to drive, while his friends, both sober and tipsy are not likely to take it upon themselves to restrain him. 'After all, he really isn't in bad shape, he can manage all right.' Perhaps he will manage this time. But in the many situations where an accident could be avoided or made less serious by sudden realization and promptly co-ordinated action the driver with alcohol in his blood and brain is certainly at a disadvantage, and others on the road with him must unfortunately share in the disadvantage."

*Quoted from Emerson's "Alcohol and Man" (1935), permission of the MacMillan Co., as quoted by Waddell and Haag in "Alcohol in Moderation and Excess".*

## THE INFLUENCE OF ALCOHOL ON THE DEVELOPMENT OF DISEASES OF THE BRAIN

"Alcoholic mental disease is, as a rule, an outcome of prolonged excessive indulgence in alcoholic beverages. Pathological intoxication, however, may be due to overindulgence on a single occasion by persons not accustomed to the use of alcohol. A case in point is that of a simple-minded boy of 14 who was induced to drink nearly a pint of whiskey at one sitting. It was his first alcoholic drinking and was followed by a violent reaction that brought him to a State hospital.

"In a study of the use and effect of alcohol in relation to the alcoholic psychoses made by the writer in 1915, it was found that the drink habit leading to alcoholic mental disease was usually formed early in life and that males acquired the habit earlier than females.

"In such study the time of the formation of the drink habit was ascertained in 332 of the 464 cases investigated. Of the ascertained cases, 122, or 36.7 per cent, began the use of alcohol when under 20 years of age; 96, or 28.9 per cent, were between 20 and 25; and 49, or 14.8 per cent between 25 and 30. Thus it appears that 80.4 per cent of these cases were confirmed users of alcohol before reaching the age of 30.

"The average duration of the drink habit previous to admission among males was 22.2 years; among females, 16.4 years; and among both sexes combined, 20.6 years. The average age of the males on admission was 43.6 years, and of the females 44.3 years.

"The onset of alcoholic mental disease occurs principally in middle life. Of the 2,693 alcoholic first admissions to hospitals for mental diseases in the United States in 1922, 1,983, or 73.6 per cent, were between 30 and 55 years of age on admission. Of the 2,427 male cases, 1,774 or 73.1 per cent and of the 266 female cases, 209 or 78.6 per cent, were within these age limits. The general average age of all the alcoholic first admissions was 43.7, as compared with 42.6 for all clinical groups. The age distribution of the alcoholic first admissions to the New York State hospitals in 1930 was very similar to that of the Federal cases of 1922. Of the 446 male cases, 329 or 73.8 per cent, were between 30 and 55 years of age, and of the 100 female cases, 84 were between these age limits. The females average a little older than the males but the difference is too slight to have much significance.

"From the foregoing statistical review of alcoholic mental disease, the following conclusions seem warranted:

1. Alcohol is a direct and principal cause of several types of mental disease.
2. The drink habit leading to mental disease is usually formed in early life and is continued for several years before mental breakdown occurs. The onset of the mental disorder is commonly preceded by states of intoxication, and by loss of health and efficiency. The drink habit in the great majority of cases is not due to constitutional inferiority or to abnormal mental state.
3. The rate of incidence of alcoholic mental diseases depends on the extent of the general use of alcoholic beverages. The rate is higher among city dwellers than among country residents; higher among foreign-born whites than among native whites; higher among certain races than among others.
4. The onset of alcoholic mental disease occurs principally in middle life, at the age when efficiency and productivity should be at a maximum. The average age of onset of New York patients was higher in 1930 than in 1910.
5. Most patients with alcoholic mental disease improve rapidly under hospital treatment, but about one-fourth of the discharged cases resume drinking and are readmitted.

6. The low rates of alcoholic mental disease and other social gains in New York and Massachusetts in 1920, indicate the possibility of eliminating most of the evils arising from the excessive use of alcohol."

*Quoted from Emerson's "Alcohol and Man" (1835), permission of the MacMillan Co., as quoted by Waddell and Haag in "Alcohol in Moderation and Excess".*

## THE EFFECT OF ALCOHOL ON PARENTHOOD AND OFFSPRING

"The offspring of habitual drunkards often present infirmities of the most varied nature. Statistics indicate that there is a larger proportion of deficient vitality, rachitis, chorea, tuberculosis, epilepsy, insanity, criminality and alcoholism, among the children of alcoholics than among the descendents of total abstainers. It is difficult, however, to unravel the causal conditions. For instance, it is not known whether the alcohol itself acts upon the germ plasm or through the fetal blood to cause these defects, or whether they are due to hereditary degeneracies which caused alcoholism in the parent. It is assumed by many that alcoholism itself indicates deficient mentality. However, there can be no question that alcohol in the circulation of the parent sufficient to cause drunkenness, will also affect the child in utero, and injure it physically and probably mentally. There is also no question that the resultant poverty and distress of alcoholism predisposes to and aggravates other diseases."

*Quoted from "Pharmacology and Therapeutics" by McGuigan (1929), permission of W. B. Saunders Co., as quoted by Waddell and Haag in "Alcohol in Moderation and Excess".*

"Experiments by various workers with large amounts of alcohol on the individuals and through successive generations of fowls, guineapigs, rabbits, rats, mice, frogs, and insects have to a surprising degree failed to demonstrate in the individual the lesions seen in human beings but have suggested distinct effects on the race. In four generations of guineapigs Hunt found that those given a few cubic centimeters of 5 or 10 per cent alcohol daily with their food grew just as quickly, reached maturity as soon and were just as fertile as those not given alcohol. They showed no symptoms, no loss in weight and no pathological changes.

"Stockard exposed guineapigs to daily intoxication for six days a week throughout their lives by the inhalation of alcohol fumes to eliminate direct effects on the stomach and liver. He reported on these and their non-alcoholic descendants, numbering over five thousand individuals. Certain of the treated animals lived over seven years, the longest recorded life for a guineapig. The alcohol did not shorten the life or injure the health or activities of the individual, but the alcoholic females were slow to conceive and not prolific. In the descendants, who did not receive any alcohol, the early generations showed an excess of still births or a high infant mortality. This was interpreted as a weeding out of the weaker individuals for, beginning with the fourth generation, the offspring, though less reproductive, proved unusually hardy.

"In a statistical study of Life Insurance records and data obtained from families in Baltimore, Pearl found the mean duration of life practically the same in abstainers and moderate drinkers. In one hundred alcoholics, Janet found twenty-five descendants from alcoholic, ten from insane and twelve from gravely neuropathic parents. Gordon studied the pedigrees for four generations in three alcoholic human families, and found various degrees of

mental deficiency, striking feeble-mindedness, epilepsy, violent temper, somnambulism, tremors and choreiform movements. In four generations there were only three normal descendants of the alcoholic males. Stockard quotes Sullivan's observations of a sober, industrious woman who married three times. The first and third husbands were sober, and with the first there were three normal children, and with the third two normal children. The second husband was a drunkard, and of this union there were three children, one of whom became a drunkard, one an epileptic and one a degenerate. Drunkards have obviously an underlying mental instability or constitutional psychopathic inferiority which they may transmit to their offspring, and which in turn may cause these to become alcoholics."

*"Materia Medica, Pharmacology and Therapeutics" by Bastedo (1932), permission of the W. B. Saunders Co., as quoted in "Alcohol in Moderation and Excess" by Waddell and Haag.*

## VIEWES HELD IN REGARD TO THE HABITUAL USE OF ALCOHOL

"In regard to the habitual use of alcohol by healthy persons, all authorities agree that it is a luxury that is entirely unnecessary for the growth and maintenance of the body, and that it neither promotes greater healthfulness nor in any way retards the onset of disease. It is true that it is utilized by the body as a food, but its value as such is limited because only small quantities can be taken without disturbance of the nervous system. At the same time it is difficult to prove that the moderate use of alcohol is injurious, for when taken after work it seems to cause no impairment of the capacity for work next day and often seems to remove the sense of fatigue. And in many it undoubtedly promotes happiness and allays the worries and anxieties of life. Attempts have been made to show that even the moderate use of alcohol lessens the resistance to the onset of disease, but these have not been successful. There are, however, two considerations which may be brought against the use of alcohol even in the most strictly limited quantities. The first of these is drawn from the statistics of life insurance, in which it is found that the prospects for longevity are better for total abstainers than for even moderate users of alcohol. The second is that the moderate use of alcohol leads to chronic alcoholism in a certain percentage of persons.

"The habitual indulgence in alcohol to excess is more easily intelligible than some other chronic intoxications, for, unlike nicotine, alcohol is taken not only for its local effects on the organs of taste and on the mucous membranes of the mouth and stomach, but also for its action on the brain in numbing and consciousness of unhappiness, and this weakening of the higher sensibilities by drink is generally the object sought by the drunkard. He finds that under alcohol his habitual depression disappears, and he loses the sense of degradation and remorse which possesses him when sober. The depression returns in exaggerated form after the effects of the drug has passed off, but it can be removed again by the same means, and in this way the habit is formed, each successive dose being rendered necessary by the depression produced by the predecessor. This descent into chronic alcoholism is facilitated by the lessening of the self-control, owing to the action of the alcohol on the brain. The victim may form the best of resolutions, but his impaired willpower and self-control are unable to carry them out.

*"Cushny's Pharmacology and Therapeutics" by Edmunds and Gunn (1936), permission of the Lea and Febiger, as quoted by Waddell and Haag in "Alcohol in Moderation and Excess".*

"When an individual has had the experience of promptly securing the comfort and joy of psychological escape simply by the drinking of alcoholic beverages he readily adopts this procedure and follows it unless checked by social pressure or by an unusual degree of self-criticism. For the well integrated individual the moderate use of alcohol may be a habit or custom under control whose chief and perhaps only real damage is in substituting effortless escape for the learning and use of strategy and skill in meeting life's difficulties. Such an individual limits his use of alcohol, both in amount and also in frequency by partaking only on the occasions when he desires a self-acting substitute for mental adjustment. He carries on without notable interference in the working day accomplishments. If, however, tension becomes too great and he is hard pressed and fatigued, he may find it more natural to drink more heavily perhaps to the disadvantage of both work and morale. The weaker individual who is conspired against by circumstances has great difficulty in keeping himself from turning often to this ready means for personal relief. With psychological escape so accessible the discouraged and the baffled find more and more difficulties and annoyances from which they feel justified in seeking refuge. For abnormal and unstable personalities, notwithstanding that they may have thought of it as the most divinely beneficent thing in the world alcohol has been and still is a veritable millstone."

*Quoted from "Emerson's Alcohol and Man" (1935), permission of the MacMillan Co. as quoted by Waddell and Haag in "Alcohol in Moderation and Excess".*

"There are those with great tolerance, 'carrying the alcohol well' without much evidence of undesirable effect, and actually, to say the least, with the semblance of gain of ease and joviality and actual release of action or at any rate, ease of sociability or relaxation and rest. On the other hand, there is the susceptibility, the being 'worse for drink', though intoxication of varying degrees and form, affecting the stomach and digestion, vomiting sometimes protecting the person from graver forms of intoxication or disorganizing the digestion, the efficiency and the social and economic dependabilities, destroying the ability to stop.

"Another distinction between drinkers would be the casual and habitual types, and among the latter the definitely alcohol-dependent person, the one who cannot let it alone, to the point of being uncontrollably governed by a craving. Much of the effect depends upon the type of alcohol—wine, beer, or distilled or fortified liquors, the amount, the rapidity, quality or quantity of consumption, the urge for distilled and concentrated liquors, the drinking for the effects rather than for the taste or quality. Much depends also upon the individual susceptibility to temptation, social or solitary, casual, steady, habitual, in sprees with men, with women, and the resulting involvements. Where intoxication occurs, its form and expression vary greatly, exhibiting anger or sulkiness, suspicions, misbehavior at large and in the home, carelessness in spending, in ventures, in the choice of companionship, etc. There are wide differences too in the extent to which inhibition fails, and urges are carried to extremes, with involvements of adults or children, with sex-implications, perversions, property damage, physical injury to the drinker or to others, the neglect of work, or responsibilities, the spending and the gambling.

"As the habit progresses one notes a growing superficiality and inadequacy of attention and punctuality, carelessness, and actual deficiency of memory, and confabulations, all tending to lay the foundation for errors of observation and judgment. There is a definite lowering of the standards of personal conduct and a mixture of sentimentality and coarseness and low-grade jokes, and irritability especially at home, exploitation of grievances, lack of tact, lack of

a sense of privacy. With all this goes the tremor of the fingers, hands and face, increased under emotions, and marked especially in the morning, with the temptation to remedy it by renewed drinking, together with the various discomforts, pains and paresthesias."

*"Emerson's Alcohol and Man" (1935), permission of the MacMillan Co. as quoted by Waddell and Haag in "Alcohol in Moderation and Excess".*

"While it is not proved that ordinary alcoholism has a direct influence on the germ plasm, it is certain that the embryo is exposed to the influence of the alcohol, since this passes readily through the placenta, and exists in the same concentration in the fetal blood as in that of the mother (Niclous, 1905). This may be supposed to cause a more or less persistent lowering of the resistance, and account for the high mortality among the children of alcoholics; the usually poor hygienic surroundings would contribute to this result. Moreover, the children will inherit the degeneracy which induces alcoholism in the parents. The statistics of prisons and asylums indicate a tendency to psychic and moral degeneracy among the descendants—epilepsy, idiocy, insanity, disposition to crime and to alcoholism; but it is not decided whether the defective inheritance concerns a degeneration induced in the parent by alcohol or the degeneration underlying the abuse of alcohol. The latter is more probable."

*"Manual of Pharmacology" by Sollman (1936), permission of the W. B. Saunders Co. as quoted by Waddell and Haag in "Alcohol in Moderation and Excess".*

## THE USE AND ABUSE OF ALCOHOLIC BEVERAGES; MODERATION URGED

"Prompted by a recognition of the important aspects involved in the use of alcoholic beverages, the Virginia Alcoholic Beverage Control Board publishes herewith a brief statement urging moderation on the part of those persons who are purchasing alcoholic beverages under the provision of the ABC Act, and calling to the attention of all citizens the necessity for a concerted effort in the practice of real temperance.

"The Commonwealth of Virginia has legalized a method of acquiring and possessing alcoholic beverages and therein has begun an experiment which seeks (1) to supply a reasonable demand and not to create or stimulate consumption, (2) to get rid, as far as possible, the moonshiner and bootlegger, and (3) to encourage respect for the law. This experiment having been undertaken, our problem as good citizens is to keep before us constantly the danger of the intemperate or immoderate use of alcohol as a beverage.

"That person who prefers not to drink alcoholic beverages has every right to his decision; he who desires to and does practice moderate use of such liquors may also make a rational plea for his choice; but for the man who indulges in alcoholic beverages to excess, there is no justification. This last person is of small value to himself, to his family, and to the community in which he lives.

"Although alcohol in cases of moderate use, may produce a beneficial digestive stimulation, it is primarily a sedative or nerve depressant, and is, in excessive amount, habit forming. Excessive use of alcohol dulls certain parts of the brain, thus removing from the mind of the drinker a sensitiveness to those sharp edges of reality common to all human life. By this dulling effect,

it creates an illusion of escape from the woes and worries of the workaday world. In this sense alcohol is a relaxing agent which may, in moderate quantities, relieve mental and physical tension. In large quantities, however, it impedes or destroys normal or necessary activity.

"There is small reason to believe that, in the majority of cases, mental or physical activity is improved by the use of alcoholic beverages; therefore, use of these beverages—and it ought to be moderate use if any—should be confined largely to leisure moments.

"Although an alcoholic beverage may be a mild and relaxing depressant when consumed in small quantities, it is severe and destructive when used to excess. If such beverages are to be consumed, the drinking of lighter beverages such as wine and beer in preference to hard liquors becomes, from the medical point of view, a definite avoidance of those extremes to which the over-indulgence in distilled spirits is likely to lead.

"The problems involved in the practice of moderation and temperance are age-old and extremely difficult of solution. But they must be solved gradually as, after all, liquor control is fundamentally a matter of individual personal control, for no law ever made a lazy man industrious, an extravagant man thrifty, or a drunken man sober. Normal and average persons are free to some degree to shape their own lives and they should assist each other, through education, in the law of moderation, which, applying throughout all life, applies with special insistence in the use of alcoholic beverages.

"There can be no argument on one point: the man who cannot control his use of hard liquors and lacks the desire or the ability to limit his drinking to light wines and beers should be encouraged in every possible way to abstain totally from all alcoholic beverages. This view is supported fully by both medical and social opinion.

"Alcoholic beverages are, at least in this country, a luxury and their value, if any, is recreative and relaxing in the direction of sociability and conviviality. As luxuries they should never take the place of necessities of life. Temperate and moderate use of alcoholic beverages implies this distinction.

"Finally, upon those citizens who desire the privilege of purchasing alcoholic beverages in a legal manner rests, to a large degree, the responsibility of preventing abuses of this privilege. And with all persons genuinely interested in the problem of liquor control lies the duty of encouraging respect for law and of giving unprejudiced consideration to the most vexing problem of society. By using temperance and moderation as watchwords and intelligently analyzing changing social conditions, Virginians may yet perfect a solution of the problem with which we are at this time endeavoring to cope."

*The Virginia Alcoholic Beverage Control Board in a leaflet issued to customers at the State Liquor Stores, as quoted by Waddell and Haag in "Alcohol in Moderation and Excess".*

## Alcohol an "Escape"

"Generally speaking, we may say that alcohol is utilized as an escape from the responsibility and burden of mature emotional life and its decisions. The impulse, then, is regressional."

*By Edward A. Strecker, A.M., M.D., Sc.D. and Francis T. Chambers, Jr.; "Alcohol One Man's Meat", p. 12.*

## Excessive and Abnormal Drinking

"The common denominator in all problems of alcohol, whether individual social, or national, is the assumption of ill effects of one sort or another from the



abuse of alcohol. Indeed in every problem of alcohol, excessive or abnormal drinking and its prevention are the dominating factors."

*By Howard W. Haggard and E. M. Jellinek;  
"Alcohol Explored"; p. 4.*

## Role of Alcohol in Crime Over-Estimated

"But the role of alcohol in crime has been, nevertheless, overestimated. It has been frequently asserted on the basis of 'statistics' that 60 per cent of all criminal offenses are due directly or indirectly to alcoholic intoxication. It is quite difficult to evaluate these statistics because they are usually based on the information given by the patient or offender. There is no objective evidence of the truthfulness of such information. It is the everyday experience of those connected with law-enforcement agencies that the individual will either overemphasize or underemphasize his alcoholic habits. Those who minimize their drinking are usually men arrested for drunkenness but for no other crime. The criminal, however, will say that he was under the influence of alcohol, and exaggerate because he expects leniency on this ground; or he may have imbibed deliberately in order to have an excuse for a carefully contemplated crime. On occasion, drinking might heighten his courage by removing his inhibitions, by impairing his judgment, but in reality the genesis of the crime anteceded the alcoholic indulgence or the alcohol addiction. Most of the statistics which have been presented in the past were based on statements by those arrested for crime. Consequently, one cannot give full credit to these statistics, nor to the conclusion that alcoholism is responsible for the majority of crimes."

*From New Haven Quarterly Journal of Studies  
on Alcohol; "Alcohol, Science and Society",  
p. 147.*

## Alcohol, Habit, and Addiction

"Psychologists are now generally inclined to the view that the thing which makes a habit is not mere repetition of an act, but the purposes and goals and resulting satisfaction which one gets out of it. Mere drinking once, twice, or even numerous times will not make the drunkard. But just the moment any person begins to solve his problems or to secure his most delightful satisfactions with the aid of the narcotic, that moment he has entered the broad road to addiction."

*By Albion Roy King; "Basic Information on  
Alcohol", p. 32.*

## Alcohol Education by Colleges and High Schools

"It is our belief that the colleges, together with the high schools and universities, can fulfill a highly significant function in aiding our society to achieve a firmer, more effective, and better integrated *morality* concerning drinking and its related problems. One of the prerequisites for reaching this goal is to develop well-oriented, disciplined, and relevant knowledge and present it to the younger generation in objective, intelligible, organized, and emotionally meaningful fashion. This the colleges can do appropriately and specifically prepare themselves for it."

*Robert Straus and Selden D. Bacon: "Drinking  
in College", p. 214.*

## The Drinking-driving Problem

"The No. 1 safety hazard is the 'Fringe' drinker, the fellow who hasn't absorbed enough alcohol to show the usual symptoms of drunkenness, but whose ability as a driver has deteriorated to the danger point. Until public opinion is aroused against this type of drinker, as opposed to the accepted picture of the falling-down drunk, street and highway collisions will continue to take their tragic toll. The first job is to convince citizens everywhere that the drinking-driving problem is largely one of degree of impairment."

*Public Safety, August, 1951, p. 11; "Take Off the Gloves", by St. Robert F. Borkenstein, Director, Indiana State Police Laboratory.*

## Public Opinion, Law Observance, and Law Enforcement

"It is axiomatic that under any system of reasonably free government a law will be observed and may be enforced only where and to the extent that it reflects or is an expression of the general opinion of the normally law-abiding elements of the community. To the extent that this is the case, the law will be observed by the great body of the people and may reasonably be enforced as to the remainder."

*Conclusion from the Report of Wickersham Commission: "Report on the Enforcement of the Prohibition Laws of the United States", p. 49.*

## Causes of Decreased Drunkenness

"The Majority Report of the last Royal Commission (1896-1899), in recording a material decrease in drunkenness during the last quarter of the nineteenth century, cited a variety of contributing causes, among which were specially mentioned the labors of temperance workers, the spread of education, and the recent intensive development of the 'passion for games and athletics'. This last, it was stated, 'has served as a powerful rival to "boozing", which was at one time almost the only excitement open to working men'.

"The social developments which have contributed to the much more remarkable improvement during the present century have been still wider. In particular, there has been a marked growth of counter-attractions to drinking, which were not, generally speaking, available to the previous generation—such as cinemas, wireless, allotments and gardens on new estates, playing fields, travel facilities and so forth. Better housing conditions, and progressive development of education and public health and other services have also played their part.

"A marked change in general social standards has come about, and this has been reflected in a very appreciable alteration in the public attitude towards drunkenness. Drunkenness has gone out of fashion, and a drunken person is not tolerated as he used to be. The vital importance of this change of outlook hardly needs emphasis."

*Presented by the Secretary of State for the Home Department to Parliament by Command of His Majesty, December, 1931: Royal Commission on Licensing (England and Wales), 1929-31 Report, p. 9.*

## The Public Interest Requires Governmental Regulation

"Although this report is being made primarily for the use of persons familiar with the history, nature and purposes of alcoholic beverage control, a statement of certain fundamental facts should be made to facilitate full understanding of the subject matter. For centuries peoples of many countries have

sought to prevent or to eliminate the hazards that are privy to the unregulated manufacture, sale and distribution of alcoholic beverages.

"The pages of history contain considerable evidence that the public interest required governmental regulation of this business, and our own experience confirms the general, if not always accurate, understanding of this necessity. It is acknowledged freely by the most ardent advocates of private enterprise and by the generality of members of the alcoholic beverage industry itself. Those who comprehend the need of control and understand its philosophy find its functions in full harmony with those economic theories which support private enterprise and those which reject socialism in all its forms.

## NEED FOR CONTROL

"They know that the liquor business is sui generis, and that it must be considered and treated differently than every other business. The principle is well established that certain anti-social conditions will inevitably flow from the operation of this business if uncontrolled by government, and that the lower elements of society will attach themselves to it as parasites unless prevented from so doing by vigilant and resolute action by government."

*The Joint Committee of the States to Study Alcoholic Beverage Laws; "Alcoholic Beverage Control", p. 5.*

## No Half-Way House Between Moderation and Abstinence

"Let us be sane in our thinking. Let us be sincere in our actions. There is no half-way house between moderate drinking and total abstinence. The one encourages the manufacture and sale of intoxicants. The other ostracises both operations. Similarly, there is no compromise practicable between aiding and abetting any system that licenses this evil and the conscience clear and guilt-free advocacy of its total suppression. No other incentive warrants the sustained effort and the sacrificial service demanded of all who wish to release Britain from this scourge that causes so much sin and sorrow."

*Wilfrid Winterton: "The Way Ahead for the Speedier Solution of the 'Liquor Problem'", p.59.*

The following excerpts are from a manual for teachers published by H. H. Hill of the Washington State Temperance Association, one of the most effective temperance groups which this Commission met. They support the current view that modern temperance teaching on this continent tends to be increasingly objective, scientific, and non-moralistic.

## The Power of Compulsion in Relation to the Drink Habit

"Compulsion is a factor which plays no part in inducing an individual to begin drinking. At least not in the sense it is used here.

"If, as many people believe, a craving for alcohol were inherited, then compulsion would be an important factor in precipitating drinking. Such, however, is not the case. While it has been shown that children of alcoholic parents are more likely to become alcoholic themselves than are the children of non-alcoholic parents, this is not due to an inherited compulsion to drink. Rather, it arises out of poor discipline and guidance, the example of excess on the part of one or both parents and mental deficiencies and abnormalities which are often inherited traits in alcoholic families. It may well be that children of alcoholic parents more readily develop or acquite a craving for alcohol, but this does not justify belief in the inheritance of compulsion as a cause of drinking in the first instance.

On the other hand, compulsion is the factor which keeps the habituated drinker drinking once he has started. Dr. Robert V. Seliger, Chief-of-Psychiatrics at Johns Hopkins, points out that 'Consciously or unconsciously, he takes to the easily acquired habit of taking a drink for a "pick-up" or to allay feelings representing anxiety and insecurity.' Before long he develops a "need" for alcohol, which grows in intensity until the alcoholic's very existence seems to depend upon it.

It should be made clear at this point that the craving for alcohol is not so much physical in the sense that it is for morphine, heroin, cocaine, etc. The alcoholic does not experience the painful and occasionally fatal withdrawal symptoms of the dope-addict, when alcohol is withheld. However, the 'shakes' or severe trembling, nervous irritability, and headaches and delirium tremens are considered to be evidences of a physical dependence on alcohol. Nevertheless, alcoholism, like dope addiction, is primarily a psychological conditioning to the physical and psychological effects of alcohol. The person becomes so dependent upon alcohol to make him 'feel' a certain way that without it he does not care to live and often, in fact, feels he cannot live.

Compulsion, therefore, is a powerful factor in supporting the continuing use of alcohol. Some four million alcoholics and three million problem drinkers in the United States today are to a more or less degree habitual and compulsive drinkers. The following reasons for drinking are inseparably related to alcoholism and the psychological compulsion which it creates:

- (1) To quench a growing thirst.
- (2) Because of feeling of 'need' for a drink.
- (3) To relieve the shakes.
- (4) To quiet the nerves.
- (5) As an eye-opener.
- (6) To make life bearable.

When a 'social' or 'moderate' drinker begins to feel that he or she must drink for these reasons, alcohol addiction, which will in time lead to mental and physical deterioration, is impending.

## Why Abstain?

Following are a few practical reasons why young and old alike might choose to abstain.

*In order to:*

- (1) Maintain vigorous health of mind and body.
- (2) Avoid the very unattractive and unglamorous appearance of intoxicated people.
- (3) Keep out of avoidable trouble.
- (4) Avoid interference with the maximum performance of driving skill.
- (5) Assure the best possible efficiency in a chosen profession.
- (6) Encourage the respect and approval of worth-while associates.
- (7) Avoid the temporary loss of memory caused by extreme intoxication.
- (8) Avoid the impulsive, irresponsible tendencies which intoxication encourages.
- (9) Escape the moral degeneracy often caused by drinking.
- (10) Assure maximum agility of mind and body in times of emergency or crisis.
- (11) Have the satisfaction of meeting problems and disappointments squarely the first time—rather than after attempting to dodge them by drinking.

- (12) Avoid a developing tendency to depend on alcohol in order to have a good time.
- (13) Never have to worry about having a hangover.
- (14) Avoid the poverty, debauchery and disgrace of alcoholism.
- (15) Avoid setting an example which may ultimately lead another to become an alcoholic.

### **The Considerate Drinker**

The very first effects of alcohol upon the human mind are such that even in slight amounts it renders the individual less capable of showing due consideration for the comfort, safety and welfare of others. The ability of the individual to manifest proper consideration diminishes in direct proportion to the quantity of alcohol consumed. Consequently, only with minimal consumption can any individual be considerate and then only if he observes certain proprieties. This is not intended to give tacit or implied approval of drinking, but rather as a guide for evaluating the consideration manifest by drinkers for the rights of others.

#### *The considerate drinker:*

- (1) Strives to make the non-drinker feel at home in a group where drinks are being served.
- (2) Avoids saying or doing anything that will embarrass the person who declines to accept a drink.
- (3) Never urges a drink upon anyone whether he be a drinker or non-drinker.
- (4) In public is never profane, obscene or abusive in action or speech.
- (5) Shows respect and consideration for the rights of those who have a differing point-of-view.
- (6) Never drinks nor discards empty containers in public places such as beaches, parks, alleys, streets, highways, etc.
- (7) Observes carefully all laws governing the distribution, sale, and use of beverages containing alcohol.
- (8) Never tries to induce anyone engaged in dispensing alcoholic beverages to violate any code, law or regulation.
- (9) Never attempts to drive after drinking, regardless of how slight the alcoholic content of the beverage—or the drinker.
- (10) Never becomes drunk or unruly.

### **The Considerate Abstainer**

It is too often assumed that only the drinker is capable of showing a lack of due consideration for the private rights and privileges of others. Realism renders it most obvious that such is not the case. The non-drinker can be just as intolerant and inconsiderate on occasion as the drinker. Following are some suggested proprieties which the abstainer would do well to observe.

#### *The considerate abstainer:*

- (1) Does not strive to make a great show or spectacle of his abstention.
- (2) Is always courteous and kind in declining drinks offered to him.
- (3) Does not assume a holier-than-thou attitude toward the drinker.
- (4) Avoids saying or doing anything that will embarrass the considerate drinker.
- (5) Shows consideration and understanding for those who have a differing point-of-view."

*H. H. Hill, "Why People Drink", p.p. 17-19.*

## CHAPTER XII

### MANITOBA TRENDS UNDER THE PRESENT LAW

It is 85 years since Manitoba with its small population of some 12,000 people found itself a Canadian province. Prior to its entry into Confederation in 1870 the government of the territory for two hundred years had been under the influence of the Hudson's Bay Company. For the latter part of that period it was administered by the Governor and Council of Assiniboia, who were appointees of that Company. Liquor at that time was chiefly imported from Britain to meet the limited requirements of the few scattered communities that emerged, first around the various Hudson's Bay Company posts and later in the Red River settlement, largely in the vicinity of what is now Winnipeg.

The most serious liquor problem of the very early days was consumption by the Indians. For many years liquor was a factor in the fur trade, frequently showing itself in violent effects on the Indians. Once the Hudson's Bay Company established a monopoly of the fur trade, it was no longer obliged by competition to give liquor to the Indians, and thereupon prohibited its sale or gift to them.

Manitoba's present liquor legislation originated in 1923. The population of the province in that year was 619,000; in 1954 it was 828,000. It now comprises about 1/20 of the Canadian people. (Table XII-1). The population is a cosmopolitan one. It is made up of people of many different racial origins and many different religious backgrounds. (Table XII-2, Table XII-3).

For forty-six years, from its entry into Confederation until 1916, the Province was under the license system—a system based largely on hotel outlets but including also a number of licensed clubs, some of them proprietary clubs. In the latter part of this period—the first fifteen years of this century—"saloons" and "bars" fell into disrepute. A long and bitter controversy concerning their effect on society was terminated by a popular vote which brought in prohibition in 1916,—(50,484 For, and 26,502 Against).

Prohibition continued for seven years—1916 to 1923. In the latter year, by a vote of 107,609 to 68,879, a system of "Government Control", or as it is known elsewhere, "the monopoly system", was brought into effect. This was a system by which liquor was sold only in packages by a Government Board for consumption only at home, all profits going to the State.

In 1927, also by popular vote of the people—76,687 to 67,092—it was decided to add to this control or monopoly system a quite different system—a license system under which hotels and certain clubs were empowered

TABLE XII-1

**POPULATION OF MANITOBA**  
**1870-1954**

| Year | Population<br>Census | Estimated<br>Population | Year | Population<br>Census | Estimated<br>Population |
|------|----------------------|-------------------------|------|----------------------|-------------------------|
| 1870 | 12,228               |                         | 1931 | 700,139              |                         |
| 1871 | 25,228               |                         | 1932 |                      | 705,000                 |
| 1881 | 62,260               |                         | 1933 |                      | 708,000                 |
| 1886 | 108,640              |                         | 1934 |                      | 709,000                 |
| 1891 | 152,506              |                         | 1935 |                      | 710,000                 |
| 1896 | 193,425              |                         | 1936 | 711,216              |                         |
| 1901 | 255,211              |                         | 1937 |                      | 715,000                 |
| 1906 | 365,688              |                         | 1938 |                      | 720,000                 |
| 1909 |                      | 419,643                 | 1939 |                      | 726,000                 |
| 1910 |                      | 437,628                 | 1940 |                      | 728,000                 |
| 1911 | 461,394              |                         | 1941 | 729,744              |                         |
| 1912 |                      | 481,000                 | 1942 |                      | 724,000                 |
| 1913 |                      | 505,000                 | 1943 |                      | 723,000                 |
| 1914 |                      | 530,000                 | 1944 |                      | 727,000                 |
| 1915 |                      | 545,000                 | 1945 |                      | 727,000                 |
| 1916 | 553,860              |                         | 1946 | 726,923              |                         |
| 1917 |                      | 558,000                 | 1947 |                      | 739,000                 |
| 1918 |                      | 565,000                 | 1948 |                      | 746,000                 |
| 1919 |                      | 577,000                 | 1949 |                      | 757,000                 |
| 1920 |                      | 594,000                 | 1950 |                      | 768,000                 |
| 1921 | 610,118              |                         | 1951 | 776,541              |                         |
| 1922 |                      | 616,000                 | 1952 |                      | 798,000                 |
| 1923 |                      | 619,000                 | 1953 |                      | 809,000                 |
| 1924 |                      | 625,000                 | 1954 |                      | 828,000                 |
| 1925 |                      | 632,000                 |      |                      |                         |
| 1926 | 639,056              |                         |      |                      |                         |
| 1927 |                      | 651,000                 |      |                      |                         |
| 1928 |                      | 664,000                 |      |                      |                         |
| 1929 |                      | 677,000                 |      |                      |                         |
| 1930 |                      | 689,000                 |      |                      |                         |

Source: Dominion Bureau of Statistics Publications as quoted by Division of Vital Statistics, Winnipeg.

TABLE XII-2.

**POPULATION OF MANITOBA  
BY NATIONAL ORIGIN—1951**

|                         |                |
|-------------------------|----------------|
| British .....           | 362,550        |
| Ukrainian .....         | 98,753         |
| French .....            | 66,020         |
| German .....            | 54,251         |
| Netherlands .....       | 42,341         |
| Polish .....            | 37,933         |
| Scandinavian .....      | 32,921         |
| Indian and Eskimo ..... | 21,050         |
| Jewish .....            | 18,840         |
| Russian .....           | 8,463          |
| Italian .....           | 2,882          |
| <b>TOTAL .....</b>      | <b>776,541</b> |

Source: Canada Year Book Dominion Bureau of Statistics.

TABLE XII-3

**MANITOBA  
POPULATION ANALYSIS  
BY RELIGIONS**

**1951 Census**

|                                  |                |
|----------------------------------|----------------|
| United Church of Canada .....    | 224,554        |
| Roman Catholic .....             | 156,283        |
| Church of England .....          | 120,690        |
| Ukrainian (Greek) Catholic ..... | 63,617         |
| Lutheran .....                   | 48,744         |
| Mennonite .....                  | 44,667         |
| Presbyterian .....               | 34,686         |
| Greek Orthodox .....             | 23,338         |
| Jewish .....                     | 19,282         |
| Baptist .....                    | 13,483         |
| Pentecostal .....                | 6,078          |
| Salvation Army .....             | 1,798          |
| Evangelical Church .....         | 1,787          |
| Christian Science .....          | 1,352          |
| Adventist .....                  | 1,065          |
| Church of Christ .....           | 959            |
| Confucian and Buddhist .....     | 628            |
| Mormon .....                     | 435            |
| Other .....                      | 13,095         |
| <b>TOTAL .....</b>               | <b>776,541</b> |

Source: Census of Canada 1951.



to sell beer by the glass at a profit to themselves as licensees. This decision was implemented in the Liquor Control Act of 1928. With some slight modification that combined system has continued until the present time. Aside from its administrative clauses, the present Government Liquor Control Act of the Province provides for only these two basic features, the Government sale of packaged liquor for home consumption, the profit all going to the Government, and the sale by licensees of beer by the glass for consumption on the premises, the retail profit going to the licensees.

### **The Enquiry Commission's Task:**

The task of the Enquiry Commission has been to size up the existing situation, take into account present demands and criticisms, consider how best to make the system serve the public demands with the minimum of ill effects; deal "in particular" with some sixteen different specific aspects of the problem; and to make such recommendations with respect to some dozen others, as seemed desirable in the public interest.

### **The Present Set-up:**

The Government Liquor Control Act, 1928, sets out the machinery which controls the manufacture, distribution, and sale of liquor in the Province. The business is administered by the Government Liquor Control Commission which may consist of three men, but which now has only one. The Act allows the manufacture of liquor by privately owned but licensed concerns. It provides for package sale (1) for home consumption of all liquors by the Liquor Control Commission, (2) of beer by hotel vendors and breweries, and (3) of all liquors for banquet purposes. It provides also for sale of beer "by the glass" for "on-premises" consumption in beer parlors, clubs and canteens. Licenses are also granted to druggists for medicinal sales and to sacramental wine vendors for wine sales for religious ceremonies.

Some of the more basic facts about alcohol and its use have been presented in earlier chapters. In this chapter we have attempted to sort out the more important factors of the liquor problem as it exists here and to indicate the trend each of them has been taking in recent years. These trends are presented with only the briefest of comment under some twenty-odd headings as follows:

**1.** The rate of consumption of distilled spirits has been increasing faster than the population. Table XII-4. Chart XII-1.

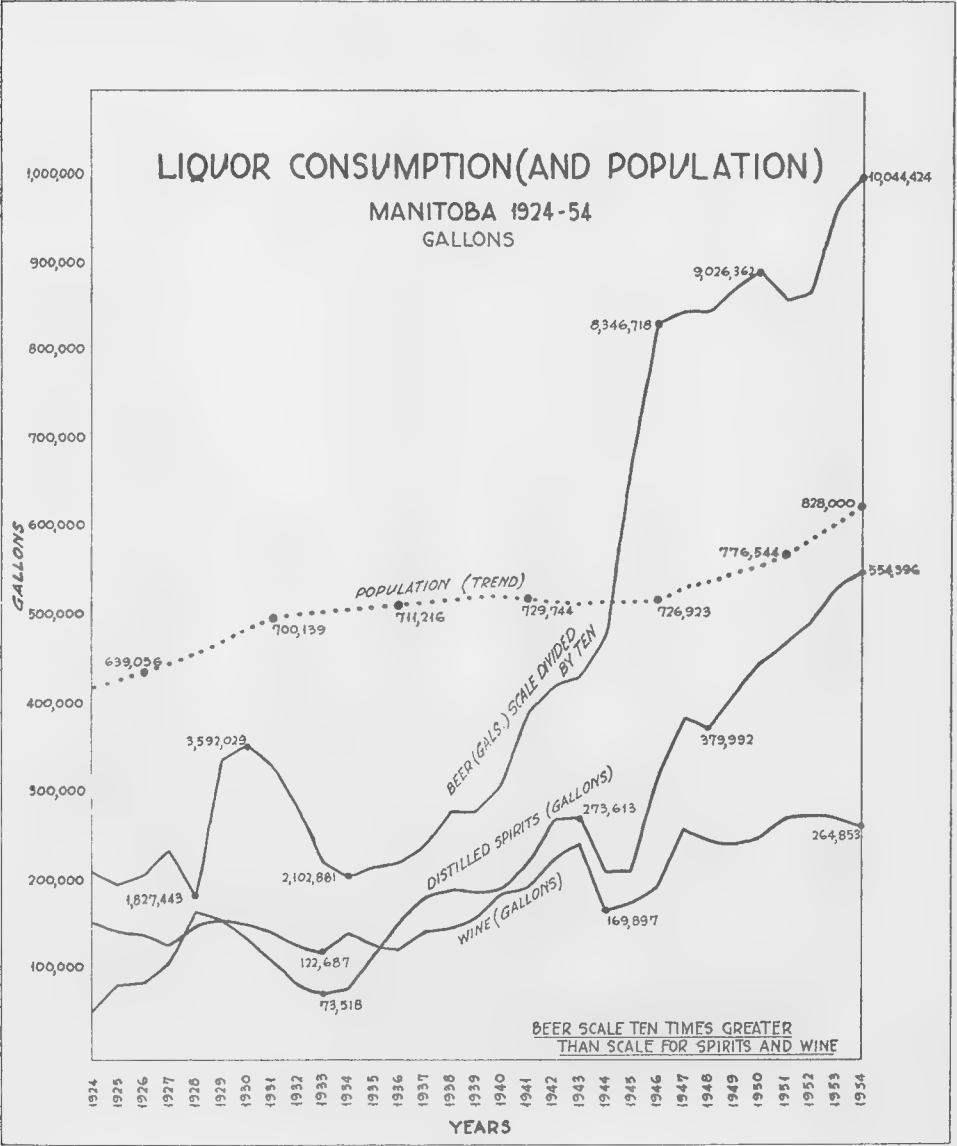
The consumption was 150,000 gallons per year thirty years ago. It dropped to half that volume in the depression of the "Thirties". It is now 554,000 gallons. It has multiplied three and two-third times in thirty years. The total consumption increase in terms of absolute alcohol is much less than that of beer, but the rate of increase has nevertheless been eight times as great as the rate of increase in population.

**2.** The rate of consumption of wine has also increased faster than beer; it was 2,143,896 gallons in 1924 and 10,044,424 in 1954.

Consumption was 54,000 gallons thirty years ago. It now approaches 270,000 gallons. It is thus five times what it was thirty years ago, and about twice what it was twenty years ago. The consumption of wine is small, but it has been increasing at a rate three times as great as the rate of increase in population.

**3.** The rate of consumption of beer has been increasing faster than that of both spirits and wine. Table XII-4. Chart XII-1.

CHART XII-1



**CONSUMPTION OF LIQUOR (SPIRITS, WINE AND BEER)  
IN MANITOBA, 1924-54 (1)**

| <b>Year x</b> | <b>Spirits<br/>(Gallons)</b> | <b>Wine<br/>(Gallons)</b> | <b>Beer *<br/>(Gallons)</b> |
|---------------|------------------------------|---------------------------|-----------------------------|
| 1924          | 157,164                      | 54,263                    | 2,143,896                   |
| 1925          | 146,314                      | 84,065                    | 2,011,005 (2)               |
| 1926          | 143,380                      | 85,675                    | 2,107,279                   |
| 1927          | 128,443                      | 107,278                   | 2,397,245                   |
| 1928          | 152,512                      | 168,213                   | 1,827,443                   |
| 1929          | 158,476                      | 158,935                   | 3,394,732                   |
| 1930          | 137,062                      | 153,983                   | 3,592,029                   |
| 1931          | 111,796                      | 143,105                   | 3,326,445                   |
| 1932          | 81,577                       | 126,073                   | 2,843,621                   |
| 1933          | 73,518                       | 122,687                   | 2,248,859                   |
| 1934          | 76,619                       | 142,303                   | 2,102,881                   |
| 1935          | 117,298                      | 129,268                   | 2,187,744                   |
| 1936          | 153,731                      | 126,612                   | 2,244,579                   |
| 1937          | 185,193                      | 146,283                   | 2,425,010                   |
| 1938          | 191,913                      | 149,872                   | 2,821,049                   |
| 1939          | 189,289                      | 157,152                   | 2,824,041                   |
| 1940          | 192,895                      | 186,830                   | 3,122,018                   |
| 1941          | 225,163                      | 194,113                   | 3,957,643                   |
| 1942          | 273,463                      | 228,033                   | 4,244,895                   |
| 1943          | 273,613                      | 246,609                   | 4,365,985                   |
| 1944          | 214,771                      | 169,897                   | 4,806,111                   |
| 1945          | 214,608                      | 176,293                   | 6,771,811                   |
| 1946          | 326,870                      | 194,130                   | 8,346,718                   |
| 1947 (3)      | 361,136                      | 245,353                   | 7,843,365                   |
| 1948          | 379,992                      | 248,265                   | 8,581,521                   |
| 1949          | 413,453                      | 244,273                   | 8,752,599                   |
| 1950          | 452,658                      | 248,034                   | 9,026,362                   |
| 1951          | 475,495                      | 274,586                   | 8,631,555                   |
| 1952          | 497,501                      | 275,026                   | 8,876,071                   |
| 1953          | 536,778                      | 273,769                   | 9,764,856                   |
| 1954          | 554,396                      | 264,853                   | 10,044,424                  |

x Fiscal year ending in year named.

\* This beer was not all sold by the Liquor Commission, some having been sold direct by Brewers.

1. Fiscal years ending in the year named.

2. Adjusted figure, to allow for fact that G.L.C.C. beer sales record was for 8 months only.

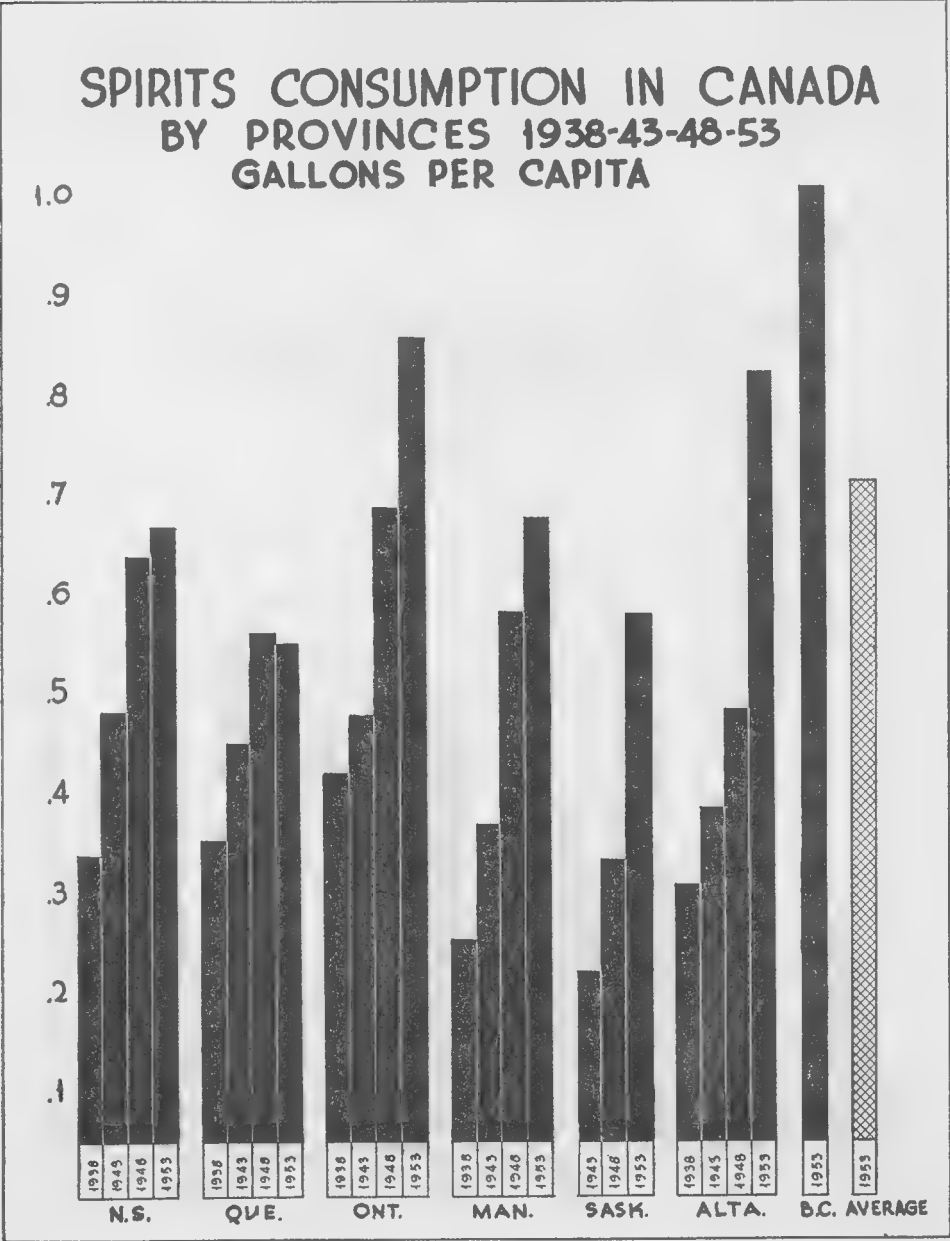
3. G.L.C.C. sales record for 11 months only.

Source: Manitoba Government Liquor Control Commission.

The consumption of beer was about two million gallons thirty years ago. It exceeds ten million gallons today. It has multiplied five times in thirty years—more than twelve times as fast as the population—up to 400% during a period when the population increased by 33%.

It may be observed here that the three trends just mentioned are not peculiar to Manitoba only—in general they are not dissimilar to those in the other Provinces. See Charts XII-2 and XII-3.

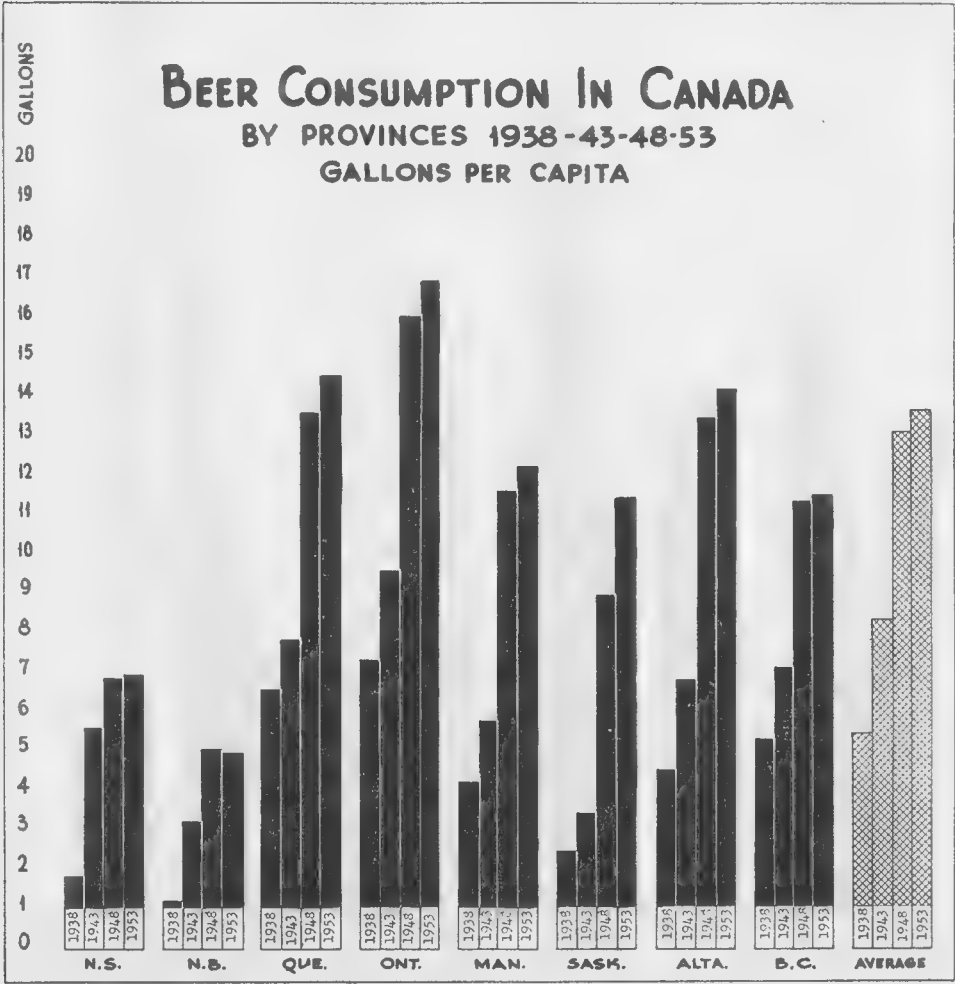
CHART XII-2



4. The consumption of spirits has been increasing rapidly since the war. Table XII-4. Chart XII-1.

The per capita consumption of distilled spirits is much less than it was seventy years ago, but it has been increasing rapidly during the last twenty years. The record of the per capita consumption of spirits in Manitoba on the basis of absolute alcohol can be very briefly stated. During the first five years after Manitoba's entry into Confederation in 1870 the per capita consumption on the basis of absolute alcohol stood at 50% above today's rate. During the ten years, 1881-1890, it averaged twice as high as today's rate. In the next 35 years, 1891-1926, it dropped to less than half of today's rate, and it remained in approximately that position for twenty years, save for a drop during the depression to about

CHART XII-3



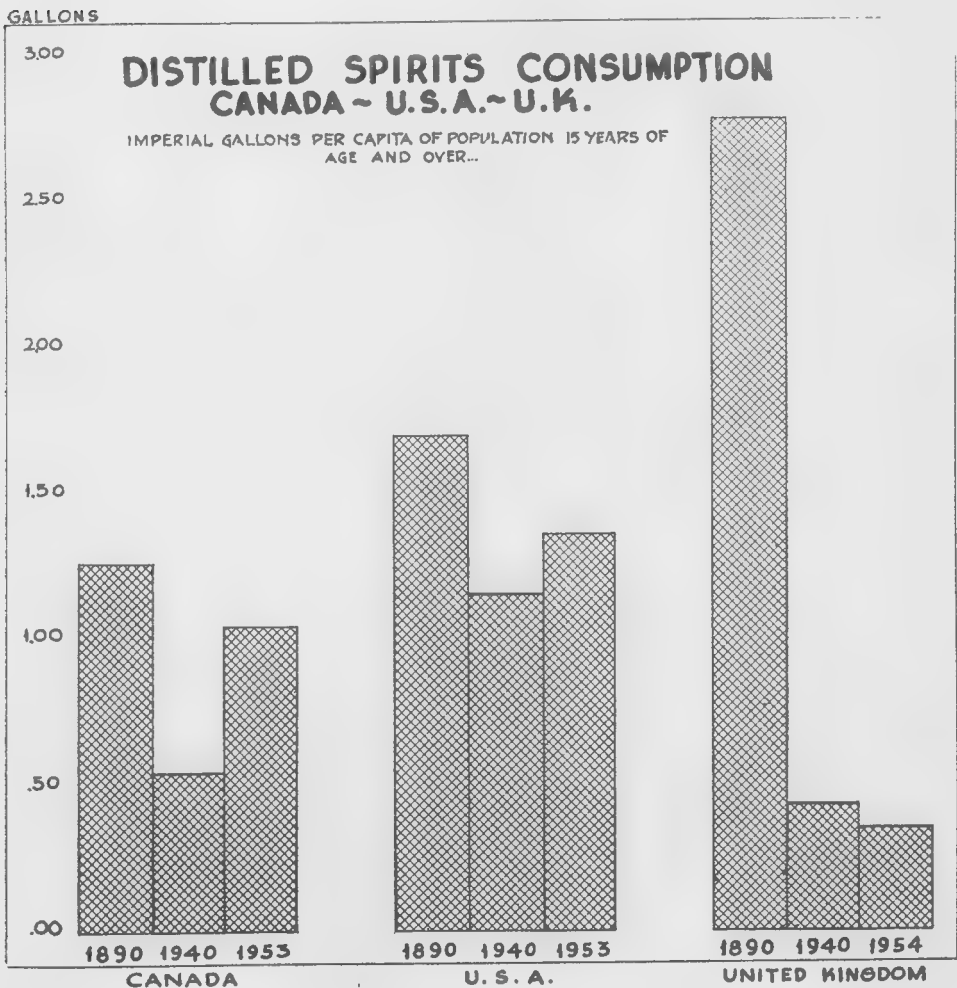
¼ of today's rate. Since 1926, we have been heading back toward the rate of the days of our grandfathers. See Chart XII-4.

5. Purchase permits have increased 2½ times in 25 years. Table XII-5. Chart XII-5.

The number of permits in 1929 was 84,000. It dropped to half that figure in 1934, a depression year; it rose steadily to around 200,000 during the next five years; stood at about 250,000 in the late war and early post-war years, 1944-1947, since which time the number has levelled off at around 200,000.\* It stands now at nearly two and one-half times the early numbers.

\*(On the assumption that 4 limited period (30 day) permits equal one annual permit.)

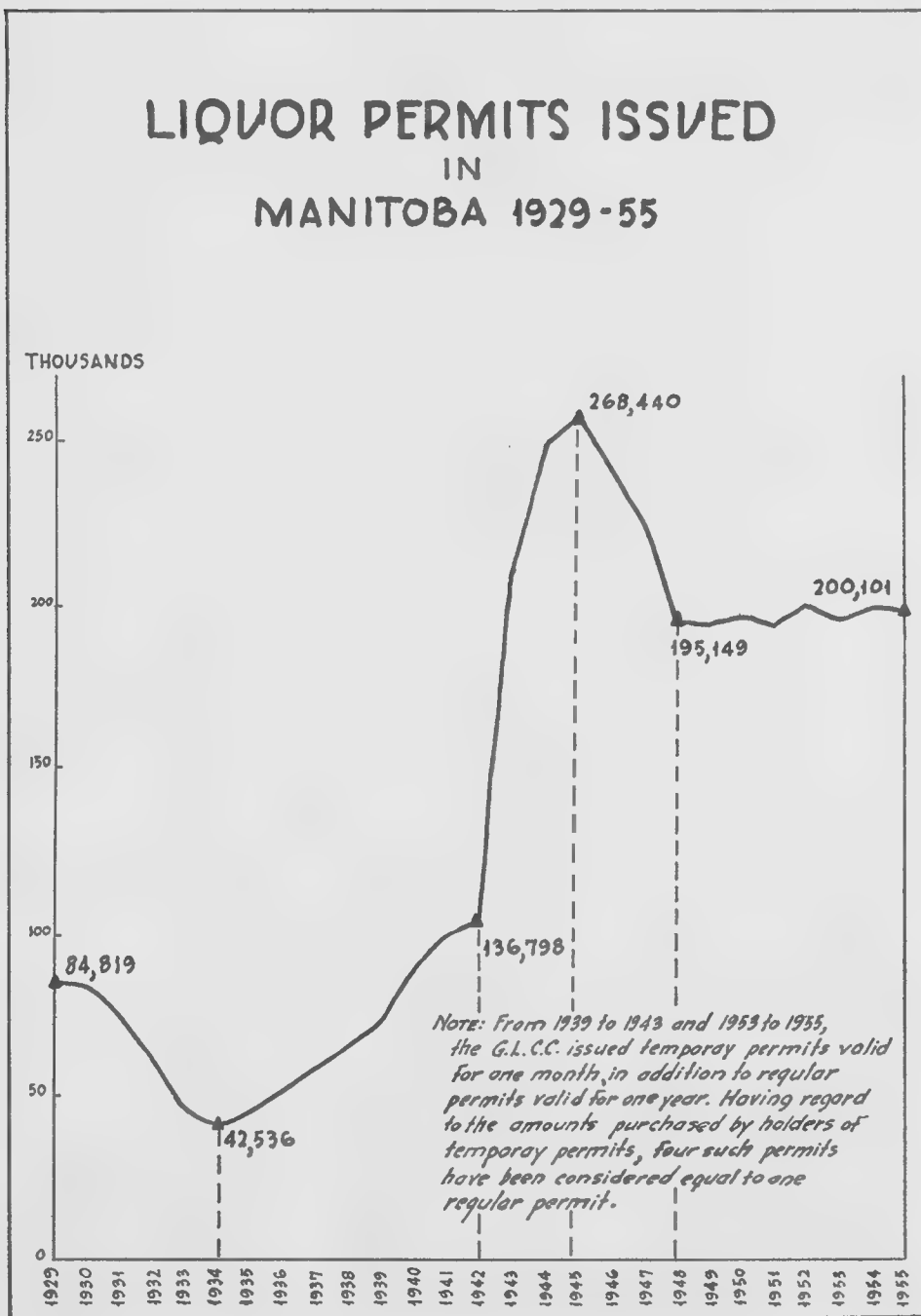
CHART XII-4



6. The number of drinkers appears to be increasing at about 1% per year. Chart XII-6.

No statistics are available for the Province by itself. Some data is, however, available for Canada; and since Manitoba's drinking pattern does

CHART XII-5



not differ widely from that of the Canadian average, the Canadian statistics are of some significance. They are as follows:

**Proportion of Canadian Population 21 years and over using  
Alcoholic Beverages or totally abstaining.  
By Survey Years 1943 to 1952\*\***

| Date of Survey        | Users | Abstainers |
|-----------------------|-------|------------|
| May, 1942 .....       | 59%   | 41%        |
| November, 1945 .....  | 64%   | 36%        |
| September, 1948 ..... | 64%   | 36%        |
| July, 1949 .....      | 65%   | 35%        |
| February, 1950 .....  | 67%   | 33%        |
| December, 1952 .....  | 70%   | 30%        |

\*\*Source: Alcoholism Foundation of Ontario.

Abstainers have dropped from 41% to 30% and users increased from 59% to 70% between 1942 and 1952. About 11% of adults moved from the abstainers column to the users column in 10 years—a change of about 1% per year.

**6A. The Liquor Trade is growing in extent and importance.**

The liquor trade in Manitoba, as in all other provinces, is assuming very great importance as a business. Table XII-4, which shows the increase in consumption since 1923, also indicates the expansion in volume of liquor produced. In spirits it was 157,164 gallons in 1924 and 554,396

TABLE XII-5

**LIQUOR PERMITS ISSUED IN MANITOBA  
1929-1955**

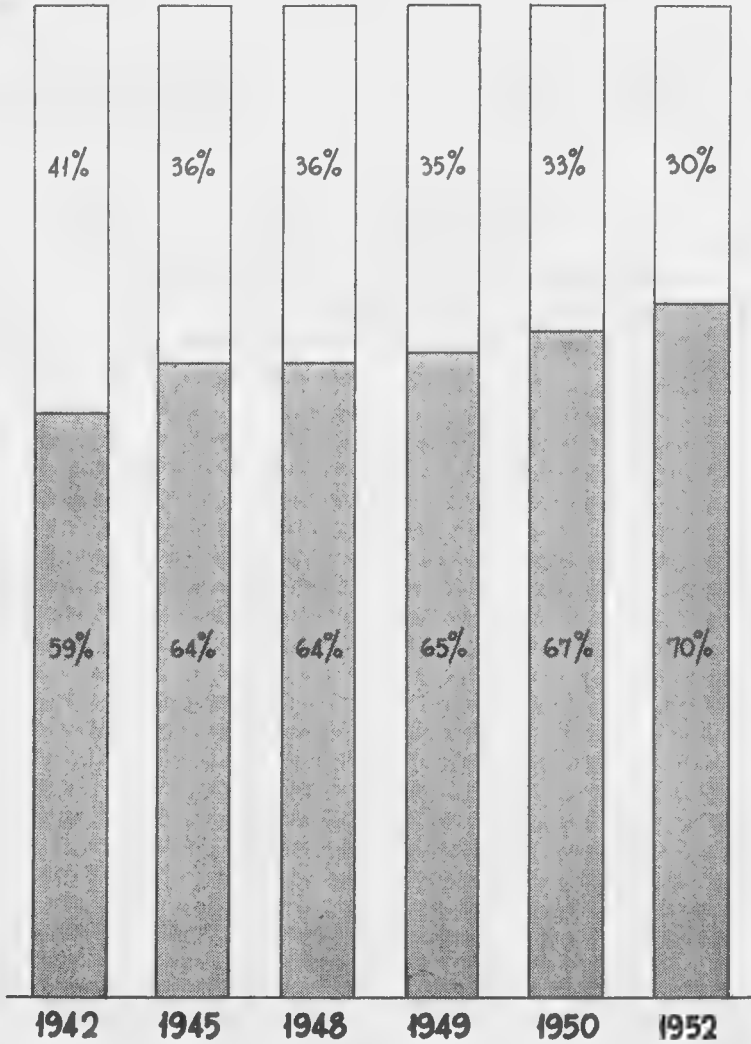
| Fiscal Year | Annual Individual General Permits | Limited Period Permits | Fiscal Year | Annual Individual General Permits | Limited Period Permits |
|-------------|-----------------------------------|------------------------|-------------|-----------------------------------|------------------------|
| 1929        | 84,819                            |                        | 19431       | 28,934                            | 328,202                |
| 1930        | 83,184                            |                        | 19442       | 49,331                            |                        |
| 1931        | 74,308                            |                        | 19452       | 58,149                            |                        |
| 1932        | 61,410                            |                        | 19462       | 68,440                            |                        |
| 1933        | 47,328                            |                        | 19472       | 26,616                            |                        |
| 1934        | 42,536                            |                        | 19481       | 95,275                            |                        |
| 1935        | 46,029                            |                        | 19491       | 95,149                            |                        |
| 1936        | 52,829                            |                        | 19501       | 97,272                            |                        |
| 1937        | 59,321                            |                        | 19511       | 94,825                            |                        |
| 1938        | 65,336                            |                        | 19522       | 01,393                            | started                |
| 1939        | 52,624                            | 82,418                 | 19531       | 85,504                            | 42,400 June 16/53      |
| 1940        | 46,585                            | 175,997                | 19541       | 83,020                            | 70,160                 |
| 1941        | 45,121                            | 233,624                | 19551       | 79,375                            | 82,976                 |
| 1942        | 53,747                            | 332,204                |             |                                   |                        |



# ALCOHOL USERS AND ABSTAINERS IN CANADA

AGE 21 YEARS AND OVER 1942-52  
IN PERCENTAGES

 ABSTAINERS  
 USERS



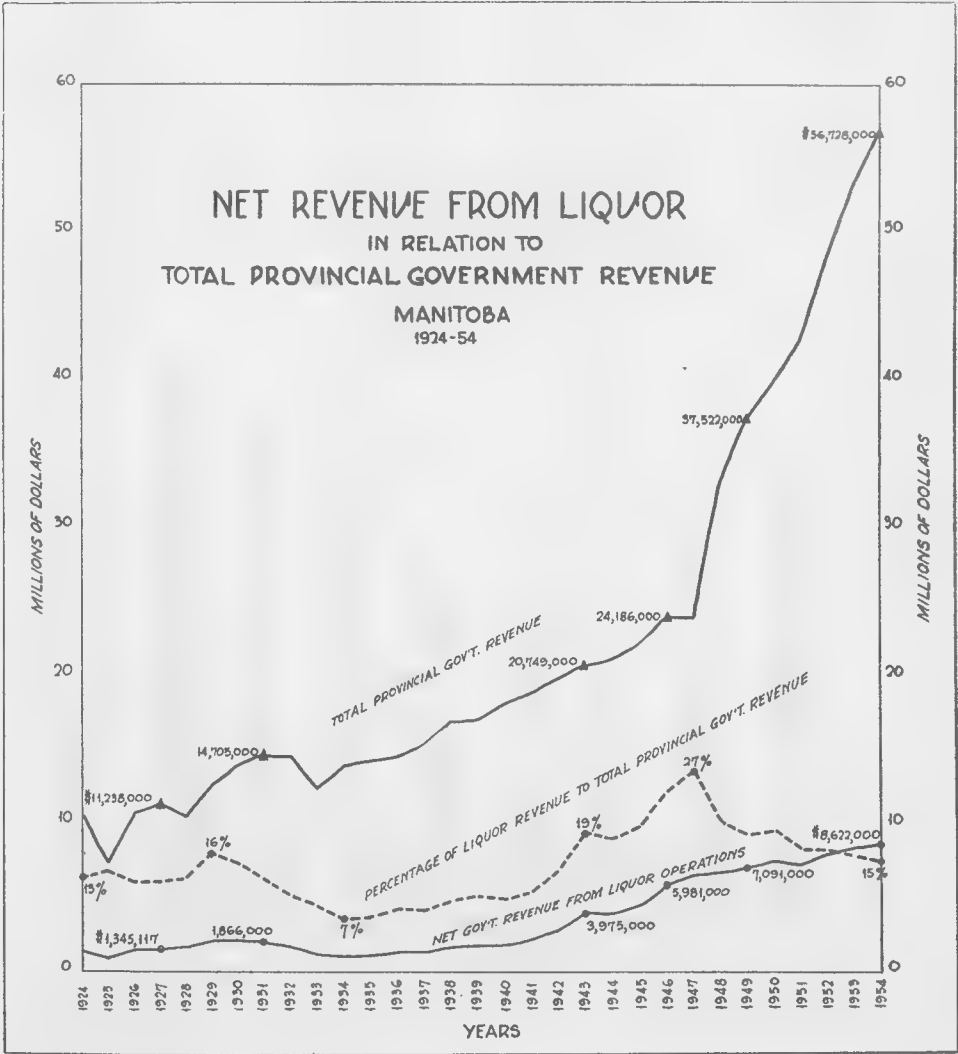
in 1954. In wine it was 54,263 gallons in 1924 and 264,853 in 1954. In beer it was 2,143,896 gallons in 1924 and 10,044,424 in 1955.

In terms of money paid for liquor the increase was even greater—\$6,800,000 in 1924 and \$42,700,000 in 1954.

7. The revenue of the Provincial Government from liquor has been steadily increasing, as in all other provinces. Table XII-6. Chart XII-7. and Chart XII-8.

In 1924 the Liquor Revenue was \$1,346,161. In 1954, it was \$8,622,000. The portion of Provincial revenue arising from liquor has increased rather unevenly from 12.7% in 1924 to 27.2% in 1946, since which time it has

CHART XII-7



been getting less rather consistently, until in 1954 it was 15.2% of the total Provincial revenue. The total liquor revenue increased but not as fast as Provincial revenues and expenditures increased. Total Provincial Government revenue was \$10,603,000 in 1924 and \$56,728,000 in 1954.

It will be noted:

- (a) that the liquor revenue has grown greater from year to year;
- (b) that its percentage to total Provincial revenue has increased from 12.7% in 1924 to 27.2% in 1946, and stood at 15.2% in 1954;
- (c) that its decreased rate in recent years is not due to a decline in liquor revenue but rather to the fact that there has been a greater proportionate increase in total Provincial revenue than in liquor revenue.

CHART XII-8

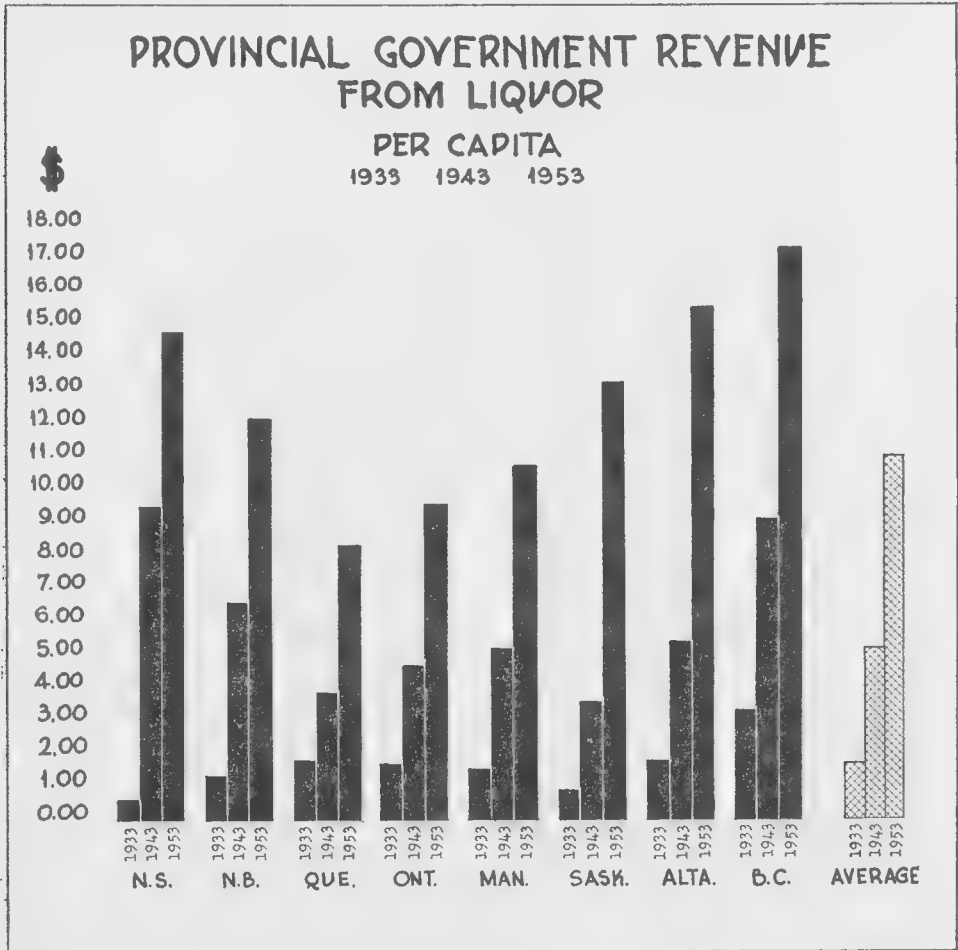


TABLE XII-6

**GOVERNMENT REVENUE FROM LIQUOR  
IN RELATION TO TOTAL GOVERNMENT REVENUE**

Manitoba, 1924-54

| Fiscal Year         | Liquor Revenue<br>(Dollars) | Total Manitoba Government Revenue<br>(Dollars) | Liquor Revenue as percentage of Total Revenue<br>% |
|---------------------|-----------------------------|------------------------------------------------|----------------------------------------------------|
| 1924                | 1,346,161                   | 10,603,000                                     | 12.7                                               |
| 1925                | 982,016                     | 7,259,000                                      | 13.5                                               |
| 1926                | 1,315,185                   | 10,870,000                                     | 12.1                                               |
| 1927                | 1,366,901                   | 11,236,000                                     | 12.2                                               |
| 1928                | 1,345,117                   | 10,741,000                                     | 12.5                                               |
| 1929                | 1,993,000                   | 12,435,000                                     | 16.1                                               |
| 1930                | 2,044,000                   | 13,992,000                                     | 14.7                                               |
| 1931                | 1,866,000                   | 14,705,000                                     | 12.7                                               |
| 1932                | 1,490,000                   | 14,631,000                                     | 10.2                                               |
| 1933                | 1,094,000                   | 12,367,000                                     | 8.9                                                |
| 1934                | 963,000                     | 13,967,000                                     | 6.9                                                |
| 1935                | 1,014,000                   | 14,384,000                                     | 7.0                                                |
| 1936                | 1,204,000                   | 14,561,000                                     | 8.3                                                |
| 1937                | 1,230,000                   | 15,215,000                                     | 8.1                                                |
| 1938                | 1,600,000                   | 16,933,000                                     | 9.5                                                |
| 1939                | 1,700,000                   | 16,961,000                                     | 10.0                                               |
| 1940                | 1,725,000                   | 18,053,000                                     | 9.6                                                |
| 1941                | 2,000,000                   | 18,846,000                                     | 10.6                                               |
| 1942                | 2,750,000                   | 19,921,000                                     | 13.8                                               |
| 1943                | 3,975,000                   | 20,749,000                                     | 19.1                                               |
| 1944                | 3,831,000                   | 21,013,000                                     | 18.2                                               |
| 1945                | 4,379,000                   | 22,268,000                                     | 19.8                                               |
| 1946 } <sup>1</sup> | 5,981,000                   | 24,186,000                                     | 24.3                                               |
| 1947 }              | 6,527,000                   | 24,019,000                                     | 27.2                                               |
| 1948                | 6,789,000                   | 33,304,000                                     | 20.4                                               |
| 1949                | 7,091,000                   | 37,522,000                                     | 18.9                                               |
| 1950 } <sup>2</sup> | 7,651,000                   | 40,092,000                                     | 19.1                                               |
| 1951 }              | 7,208,000                   | 42,982,000                                     | 16.8                                               |
| 1952 } <sup>3</sup> | 8,096,000                   | 48,536,000                                     | 16.7                                               |
| 1953 }              | 8,481,000                   | 53,383,000                                     | 15.9                                               |
| 1954                | 8,622,000                   | 56,728,000                                     | 15.2                                               |

1. 11 months ending March 31st.

2. The total provincial revenue for the year ending March 31, 1951, was \$55,482,00. This figure however, includes a grant of \$12,500,000 toward flood relief costs. The figure given in the table above does not include this extraordinary receipt.

3. The D.B.S. figure for total Manitoba Government Revenue in 1953, was \$55.4 millions, and this figure was used in Table IV.

Source: Public accounts of Manitoba. Percentage column based on the other two.

8. The amount spent for liquor has been going up. Table XII-7. Chart XII-9.

The total expenditure for liquor to consumers in Manitoba has increased steadily, with the exception of the depression years, from \$6,800,000 in 1924 to \$42,700,000 in 1954.

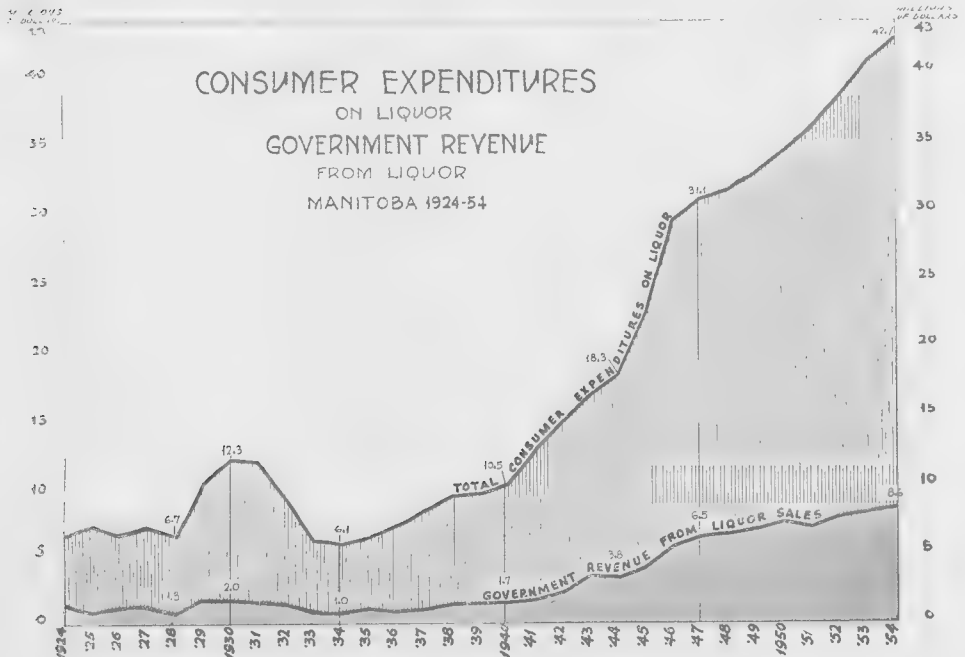
The effect of the depression on lessening sales is clearly seen in the years 1933, 1934 and 1935, when the consumption dropped to about one-half of what it was in 1930.

The effect of improved economic conditions, including higher income, will be observed in the trend of the last fifteen years. In 1939 less than \$10,000,000 was spent for liquor. In 1954 it was more than four times that figure, or \$42,700,000.

The expenditure per adult in the population shows the same trend. It was \$20.00 per adult in 1924, reached \$31.00 in 1930, dropped back to \$15.00 for the depression years of 1933, 1934 and 1935, and has steadily increased since then to \$84.00 per adult 20 years and over in 1954. Chart XII-10.

Even this figure does not give a correct impression of what has happened for the reason that incomes have more than doubled since 1924, the value of money has dropped to about one-half of what it was at that time, and the price of liquor has increased. A more correct expression of the expenditure for liquor will therefore be found in the percentage of

CHART XII-9



income spent for liquor. This has varied from 2.3% in 1926 to 4.8% in 1954, with some ups and downs in the first two-thirds of the intervening period and a consistent rise since the middle war year of 1942.

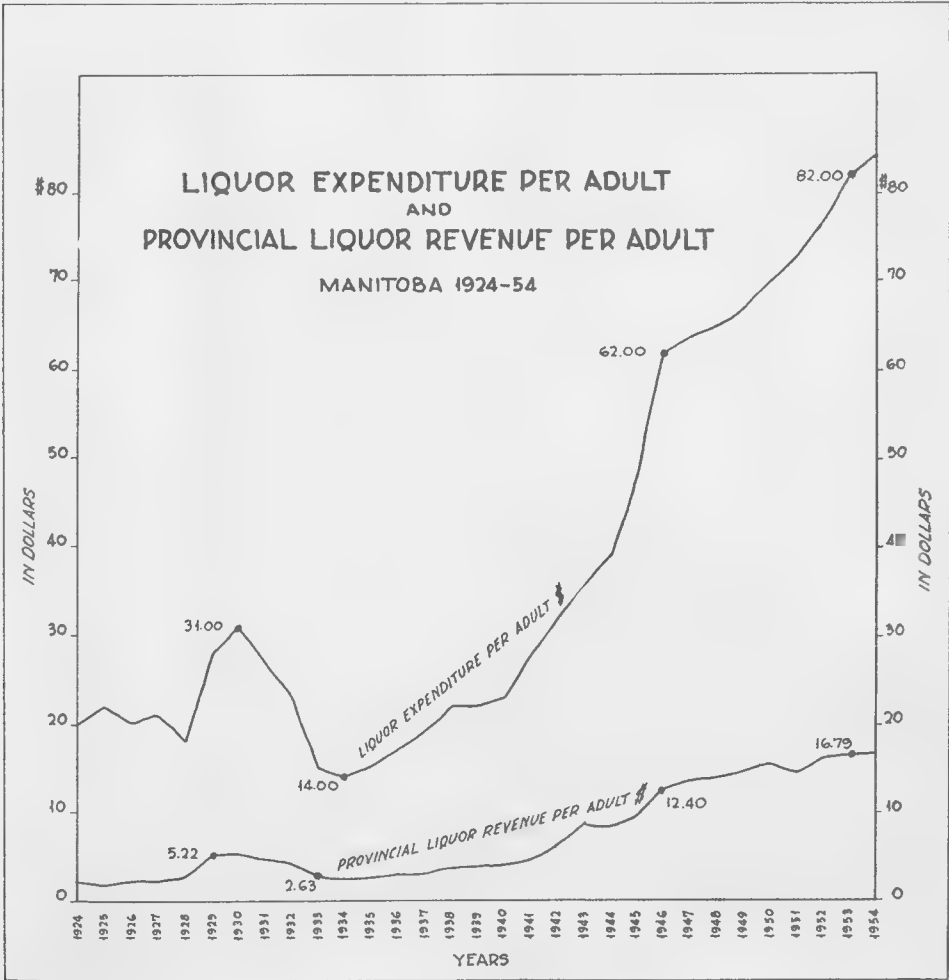
9. Alcoholism has been increasing: Chart XII-11.

Alcoholism in Manitoba—1921-1940

Based on data published by the Alcoholism Research Foundation of Ontario, the number of alcoholics in Manitoba during the period from 1921 to 1940 was as follows:

|               | Yearly Average |
|---------------|----------------|
| 1921-25 ..... | 2,300          |
| 1926-30 ..... | 3,150          |
| 1931-35 ..... | 3,900          |
| 1936-40 ..... | 4,860          |

CHART XII-10



Prof. E. M. Jellinek, of the International Institute for Research on Problems of Alcohol, has provided us with his estimates of alcoholism in Manitoba for the years 1941 to 1955 from which the following summary has been made.

|                         | Yearly Average |
|-------------------------|----------------|
| 1941-45 inclusive ..... | 6,637          |
| 1946-50 inclusive ..... | 7,271          |
| 1951-55 inclusive ..... | 8,400          |

CHART XII-11

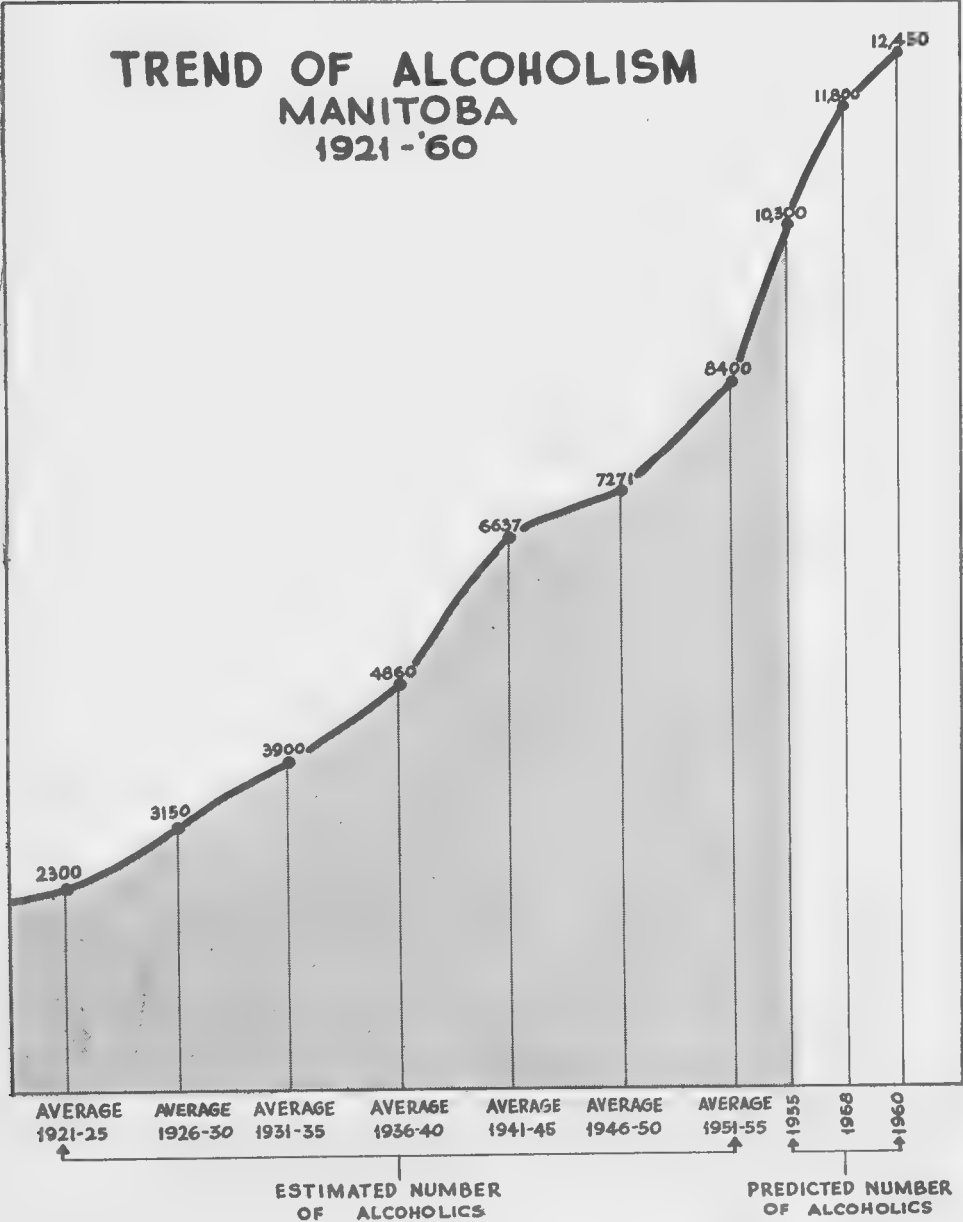


TABLE XII-7

**PERSONAL EXPENDITURE ON LIQUOR  
AND PROVINCIAL LIQUOR REVENUES**

**Manitoba, 1924-1954**

| <b>Year</b> | <b>Total Expenditure<br/>on Liquor<br/>\$ thousands</b> | <b>Liquor Expenditure<br/>per Adult*</b> |
|-------------|---------------------------------------------------------|------------------------------------------|
| 1924        | 6,800                                                   | \$20                                     |
| 1925        | 7,500                                                   | 22                                       |
| 1926        | 6,900                                                   | 20                                       |
| 1927        | 7,400                                                   | 21                                       |
| 1928        | 6,700                                                   | 18                                       |
| 1929        | 10,700                                                  | 28                                       |
| 1930        | 12,300                                                  | 31                                       |
| 1931        | 11,000                                                  | 27                                       |
| 1932        | 9,300                                                   | 23                                       |
| 1933        | 6,400                                                   | 15                                       |
| 1934        | 6,100                                                   | 14                                       |
| 1935        | 6,500                                                   | 15                                       |
| 1936        | 7,500                                                   | 17                                       |
| 1937        | 8,500                                                   | 19                                       |
| 1938        | 9,600                                                   | 22                                       |
| 1939        | 9,800                                                   | 22                                       |
| 1940        | 10,500                                                  | 23                                       |
| 1941        | 12,900                                                  | 28                                       |
| 1942        | 15,000                                                  | 32                                       |
| 1943        | 16,900                                                  | 36                                       |
| 1944        | 18,300                                                  | 39                                       |
| 1945        | 22,600                                                  | 48                                       |
| 1946        | 29,600                                                  | 62                                       |
| 1947        | 31,100                                                  | 64                                       |
| 1948        | 31,700                                                  | 65                                       |
| 1949        | 32,900                                                  | 67                                       |
| 1950        | 34,400                                                  | 70                                       |
| 1951        | 36,100                                                  | 73                                       |
| 1952        | 38,300                                                  | 77                                       |
| 1953        | 41,200                                                  | 82                                       |
| 1954        | 42,700                                                  | 84                                       |

\* Aged 20 years and over.

Source: Computed on the basis of data supplied by the Government Liquor Control Commission, and Census figures.



After a study of the deaths from cirrhosis of the liver in the Province in recent years, Prof. Jellinek predicted the future trend in the Province. "These predictions," he says, "are based on the fact that while the number of alcoholics in Manitoba is growing, the rate of increase is diminishing. Here follow my predictions:

|            |        |
|------------|--------|
| 1955 ..... | 10,300 |
| 1956 ..... | 10,900 |
| 1957 ..... | 11,400 |
| 1958 ..... | 11,800 |
| 1959 ..... | 12,150 |
| 1960 ..... | 12,450 |

Of course, such predictions assume that no major changes will occur during that period in social trends, legislation, welfare measures, etc."

It is noteworthy not alone that these trends have been upward but that they increase as consumption of liquor increases.

**10. Family breakdowns, illegitimacy and juvenile delinquency.**

The above problems are frequently associated in the public mind with the use and abuse of alcohol. But it is impossible to ascertain what proportion of any of these social disruptions can properly be ascribed to alcohol.

Divorce in Manitoba, with the exception of one year, has shown a steady increase from a total of around 80 in 1928 to a peak of over 600 for the two post-war years, 1946 and 1947. Its decrease to 338 in 1952 still leaves the total more than four times that of the year 1928. Since the total for the Dominion increased from 590 to 5,562 in the same period of time, the Manitoba picture is better than that of the whole country. Table XII-8.

A like increase in family breakdowns without divorce has taken place.

Authorities agree that excessive use of alcohol may be a contributing factor in such family dissolution, but the above statistics throw no valuable light upon the present relationship of the two.

Illegitimate births in Manitoba have risen from an average of 407 for the period of 1921 to 1925 to an average of over 750 per year since 1946. It is generally accepted that liquor is often used to obtain consent of minor girls and young women. That it may have been a factor in this result is suggested strongly, by the youth of the unmarried mothers, 33% of them were under 20 years of age, 36.9% were between 20 and 24 years of age, and 86.6% were under 30. Table XII-9.

It is popularly thought that juvenile delinquency is on the increase but this does not seem to be the case. The number of cases reported reached a high of 602 in 1946 but has since decreased by almost 50%. Since the number of violations of the G.L.C. Act by minors is almost

TABLE XII-8

**DISSOLUTIONS OF MARRIAGE (Divorces)  
IN MANITOBA, 1928-1952**

| Year | Number of Divorces | Year | Number of Divorces |
|------|--------------------|------|--------------------|
| 1928 | 79                 | 1941 | 242                |
| 1929 | 89                 | 1942 | 284                |
| 1930 | 114                | 1943 | 277                |
| 1931 | 94                 | 1944 | 316                |
| 1932 | 114                | 1945 | 405                |
| 1933 | 116                | 1946 | 636                |
| 1934 | 126                | 1947 | 665                |
| 1935 | 145                | 1948 | 477                |
| 1936 | 179                | 1949 | 411                |
| 1937 | 200                | 1950 | 339                |
| 1938 | 205                | 1951 | 361                |
| 1939 | 181                | 1952 | 338                |
| 1940 | 206                |      |                    |

Source: The Canada Year Book 1954.

TABLE XII-9

**ILLEGITIMATE LIVE BIRTHS IN MANITOBA  
5-year Periods, 1921-1950**

| Year        | Number of Illegitimate Births |
|-------------|-------------------------------|
| Av. 1921-25 | 407                           |
| 1926-30     | 501                           |
| 1931-35     | 501                           |
| 1936-40     | 506                           |
| 1941-45     | 597                           |
| 1946-50     | 766                           |

Source: The Canada Year Book 1954.

TABLE XII-10

**NUMBER OF CHILDREN ADJUDGED DELINQUENT  
BY THE COURTS IN MANITOBA  
1942-1951**

| Year | Number of Delinquents |
|------|-----------------------|
| 1942 | 602                   |
| 1943 | 438                   |
| 1944 | 416                   |
| 1945 | 342                   |
| 1946 | 298                   |
| 1947 | 424                   |
| 1948 | 364                   |
| 1949 | 403                   |
| 1950 | 400                   |
| 1951 | 347                   |

Source: The Canada Year Book 1954.

negligible, it is probable that use of alcohol by minors is not an important factor in the picture. Though it was impossible to get statistical evidence, it was reported to have been observed that drinking in the homes of certain of these young people was a probable cause of delinquency in some cases. Table XII-10.

**11.** Non-observance of certain features of the law has been on the increase.

The most noticeable aspect of the Commission's hearings was the frequent repetition of this fact. Why the present law, which in its basic principles was voted into the statutes by referendum, should thus lack wide public observance is only understandable in the light of changed conditions, such as:

- (1) the social dislocations following two World Wars;
- (2) the higher level of income now prevailing;
- (3) the diminished membership and interest in Temperance organizations;
- (4) the increase in leisure time and consequent need for public amusement;
- (5) the increase in automobiles and number of social events such as dances, banquets, picnics, etc.;
- (6) the trend toward smaller homes and greater dependence upon outside entertainment;
- (7) the increasing use of alcoholic beverages in business, in the home and at social events.

Whatever the explanation of the situation may be, there does not appear on the horizon any indication that the problems of alcohol are likely to grow less unless the tensions of modern life grow less or our social customs change, or unless experience leads us to more moderate drinking habits.

**12.** Enforcement of certain parts of the Liquor Law has been growing more lax.

A common complaint has been that law enforcement has been lax. This was perhaps the most frequent of the criticisms of the present control system. The facts presented to us do not appear to be over-stated with respect to some features of the Act. The figures show increasing convictions, yet the evidence shows parts of the law to be held in disrespect even by the law officers themselves.

**13.** Convictions for drunkenness have been increasing. Table XII-11. Chart XII-12.

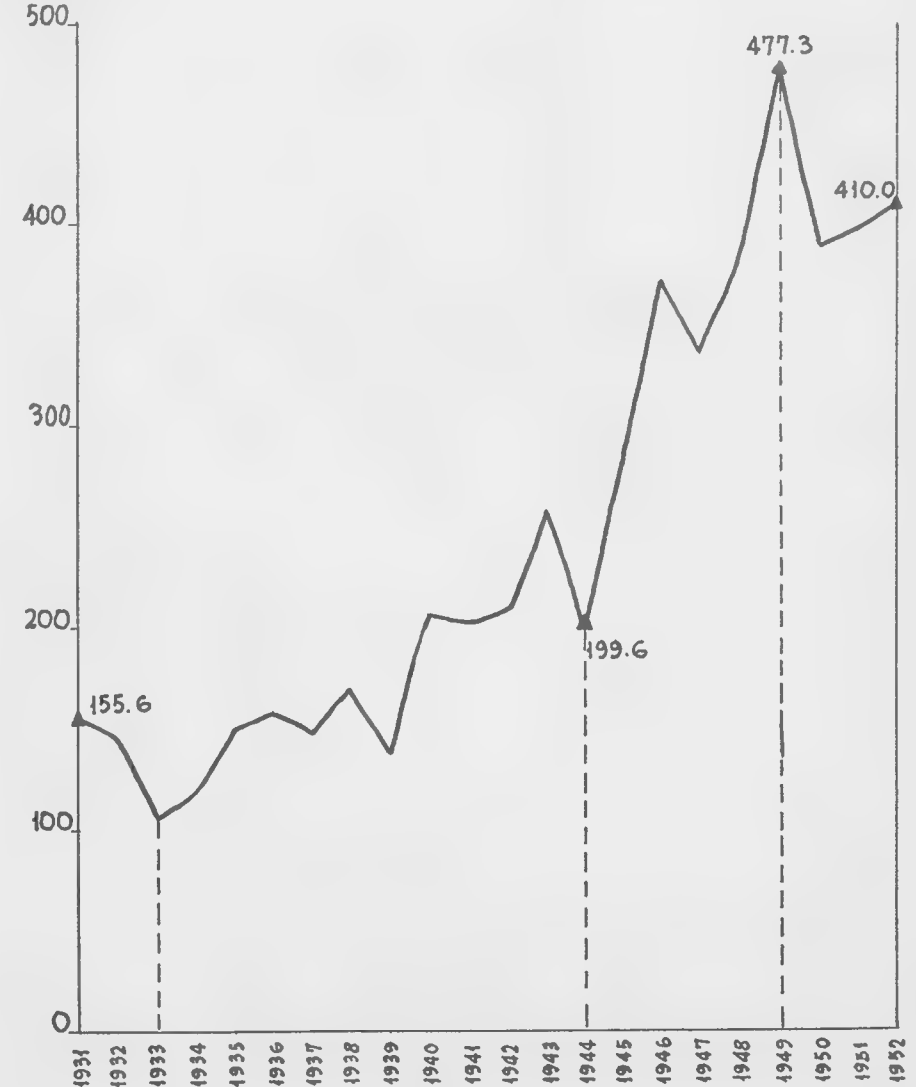
Convictions for drunkenness in Manitoba for the years 1931 to 1952, per 100,000 population, 16 years of age and over, have increased more or

# CONVICTIONS FOR DRUNKENNESS

MANITOBA 1931-52

PER 100,000 POPULATION 16 YEARS OF AGE AND OVER

HUNDREDS



less regularly from 155 in 1931 to 410 in 1952. They increased 150% while the population increased 14%.

The statistics regarding drunkenness we do not rate at their face value. The statistics for convictions are no doubt accurate but not all drunks are arrested, let alone convicted; and some are arrested and convicted more than once in a year. Moreover, in different periods and under different jurisdictions the emphasis on arrests slackens or increases with changes in the law and in its enforcement. The most that can be said for statistics on drunkenness is that over a period of years they indicate the general trend of drunkenness.

**14.** In spite of much non-observance, convictions have been increasing. Table XII-12. Chart XII-13.

CHART XII-13

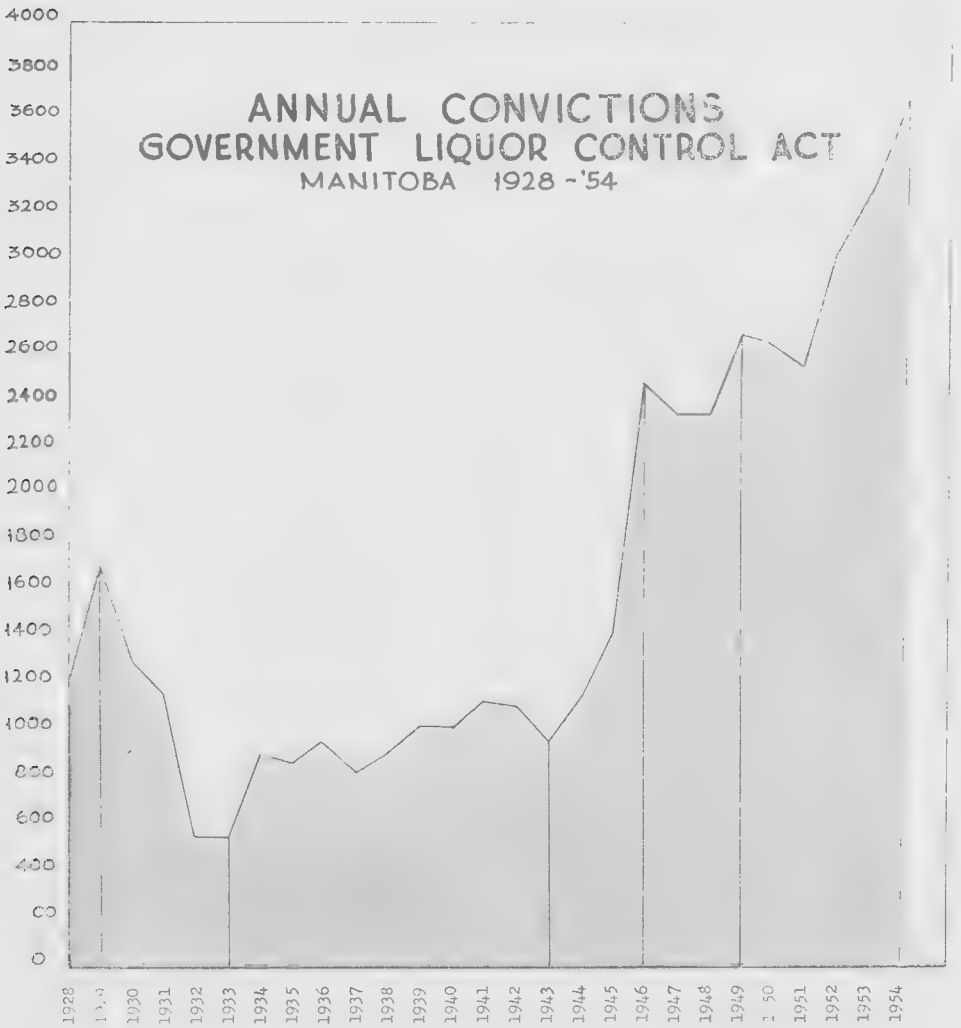


TABLE XII-11.

**CONVICTIONS FOR DRUNKENNESS — MANITOBA**  
1931-1952

(Non-indictable Offences—16 years of age and over)  
Rates per 100,000 Population

| Year       | Manitoba | Year       | Manitoba |
|------------|----------|------------|----------|
| 1931 ..... | 155.6    | 1942 ..... | 218.2    |
| 1932 ..... | 145.1    | 1943 ..... | 260.7    |
| 1933 ..... | 104.1    | 1944 ..... | 199.6    |
| 1934 ..... | 116.5    | 1945 ..... | 280.6    |
| 1935 ..... | 148.5    | 1946 ..... | 369.3    |
| 1936 ..... | 158.2    | 1947 ..... | 335.6    |
| 1937 ..... | 146.9    | 1948 ..... | 379.2    |
| 1938 ..... | 178.6    | 1949 ..... | 477.3    |
| 1939 ..... | 135.7    | 1950 ..... | 388.5    |
| 1940 ..... | 209.8    | 1951 ..... | 399.2    |
| 1941 ..... | 201.6    | 1952 ..... | 410.2    |

Source: Dominion Bureau of Statistics of Criminal and Other Offences.

TABLE XII-12

**CONVICTIONS UNDER THE MANITOBA GOVERNMENT**  
**LIQUOR CONTROL ACT, 1935-1954**

| Year | Chief<br>Inspector's<br>Branch | R.C.M.P. | City of<br>Winnipeg<br>Police | Municipal Police<br>(including RCMP<br>under Municipal<br>contract) | Total |
|------|--------------------------------|----------|-------------------------------|---------------------------------------------------------------------|-------|
| 1935 | 261                            | 141      | 303                           | 154                                                                 | 859   |
| 1936 | 256                            | 237      | 317                           | 147                                                                 | 957   |
| 1937 | 247                            | 229      | 226                           | 133                                                                 | 835   |
| 1938 | 308                            | 215      | 231                           | 146                                                                 | 900   |
| 1939 | 456                            | 209      | 219                           | 134                                                                 | 1018  |
| 1940 | 362                            | 278      | 185                           | 186                                                                 | 1011  |
| 1941 | 359                            | 350      | 201                           | 219                                                                 | 1129  |
| 1942 | 126                            | 577      | 248                           | 163                                                                 | 1114  |
| 1943 | 9                              | 498      | 315                           | 163                                                                 | 985   |
| 1944 | 7                              | 687      | 326                           | 145                                                                 | 1165  |
| 1945 | 1                              | 839      | 347                           | 231                                                                 | 1418  |
| 1946 | 3                              | 1353     | 666                           | 450                                                                 | 2472  |
| 1947 | 3                              | 1339     | 558                           | 455                                                                 | 2355  |
| 1948 | ..                             | 1277     | 716                           | 362                                                                 | 2355  |
| 1949 | 1                              | 1531     | 667                           | 478                                                                 | 2677  |
| 1950 | ..                             | 1538     | 649                           | 467                                                                 | 2654  |
| 1951 | 2                              | 1438     | 556                           | 580                                                                 | 2576  |
| 1952 | 1                              | 1899     | 597                           | 533                                                                 | 3030  |
| 1953 | 9                              | 2022     | 598                           | 669                                                                 | 3298  |
| 1954 | 32                             | 2105     | 850                           | 699                                                                 | 3686  |

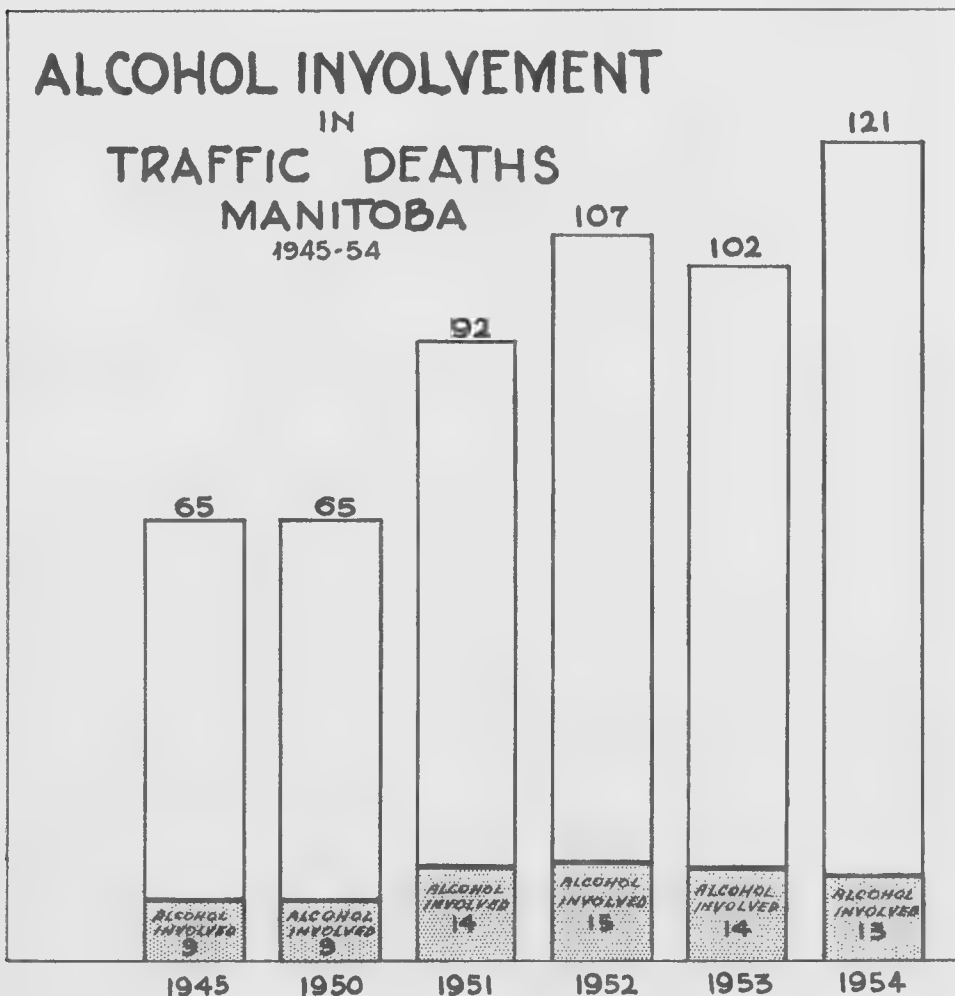
Source: Attorney-General's Dept., April 15, 1955.

The convictions under the Manitoba Government Liquor Control Act increased from 859 in 1935 to 3,686 in 1954. There was but little variation during the first four years of this period; an increase began in 1939 and continued to 1943, since which year the numbers have increased very rapidly and more or less uniformly, the number in 1944 being 1,165 and in 1954, 3,686.

**15.** Traffic accidents have been increasing, but traffic controls are lessening the rate of increase. Table XII-13. Chart XII-14.

The number of deaths from traffic accidents has increased from 65 in 1945 to 121 in 1954. The number of persons injured has increased from 1,493 in 1945 to 3,020 in 1954. The number of persons killed and injured per 10,000 motor vehicles is decreasing slightly. It was 17.4 in 1945, and 14.3 in 1954.

CHART XII-14



In Winnipeg, as contrasted with the whole Province, the number of persons killed per year is decreasing—from 22 in 1945 to 17 in 1954.

These accidents are due only in small part to liquor. It was a factor in one out of each twenty traffic accidents. It was a factor in one out of every six of the fatal accidents. The worst month of the year for accidents involving liquor was December. The worst hour of the day was 11 p.m. to 12 p.m. and the safest hours were 6 a.m. to 3 p.m. The worst day of the week was Saturday and the second worst, Sunday, the former having nearly twice as many accidents, 2,169, as Tuesday, which had the fewest accidents—1,453. There are favorable trends developing—the number of accidents per 10,000 cars is not increasing—the number of accidents per miles travelled is decreasing.

For these favorable trends the Commission wishes to commend the Highway Safety Division, which is highly regarded outside Manitoba as well as within for its energetic program and its progressive policies toward lessening the dangers of highway traffic.

**16.** The effectiveness of local option as a preventative measure has been decreasing.

In horse and buggy days the people in a local option area could partially isolate themselves from liquor, but with the coming of improved roads and the rapid increase in numbers of automobiles, this is not the case. Also, the establishment of “wet” areas by small urban communities within larger “dry” areas has largely negated the effect of local option in the latter. Any road map of today compared with one of 30 years ago, emphasizes the former and the local option area map (Chart XII-15) makes clear the latter point.

**17.** The trend in local option votes though not pronounced has been from dry to wet.

(1) In 1928, 49 Rural Municipalities out of the total of 114 in Manitoba remained “dry” when the Government Liquor Control Act, 1928, came into effect.

(2) Since 1928, 17 of these 49 Municipalities, through local option elections, have voted for the sale of liquor.

(3) In the remaining 32 Municipalities (1954) liquor outlets are not allowed.

The records do not show that any “wet” area has gone “dry” since the Act was passed in 1928. The local option map Chart XII-11 shows the areas still remaining dry in 1954.

**18.** Sentiment for prohibition has been growing less. Table XII-14.

A trend against coercive abstinence has been noticeable ever since the enactment of prohibition in 1916 and its repeal in 1923. Only scattered voices were raised in its support before the Enquiry Commission. Most temperance forces now find some division of opinion on this feature of their



earlier programs. During the eighty-five years of the Province's history, prohibition has been in effect but seven years. Table XII-15 gives the record of the votes for and against since Confederation. The trend in this direction is not peculiar to Manitoba. It has been evident in most other Provinces and in many of the States of the Union.

**19.** The financial returns to liquor manufacturers have been steadily increasing.

The distilled spirits and wine consumed in Manitoba are manufactured elsewhere. We do not therefore comment on manufacturers of those commodities.

The production of beer by breweries is, however, a local industry. It has increased from two million gallons to ten million gallons in 30 years—most of it in the last ten. The profits of the breweries has increased as production increased. Thirty years ago, it is estimated that they got less than \$3 million. In 1954 out of the \$26.8 million spent by consumers for beer, it is estimated that \$11.2 million of it went to the brewers. That

CHART XII-15

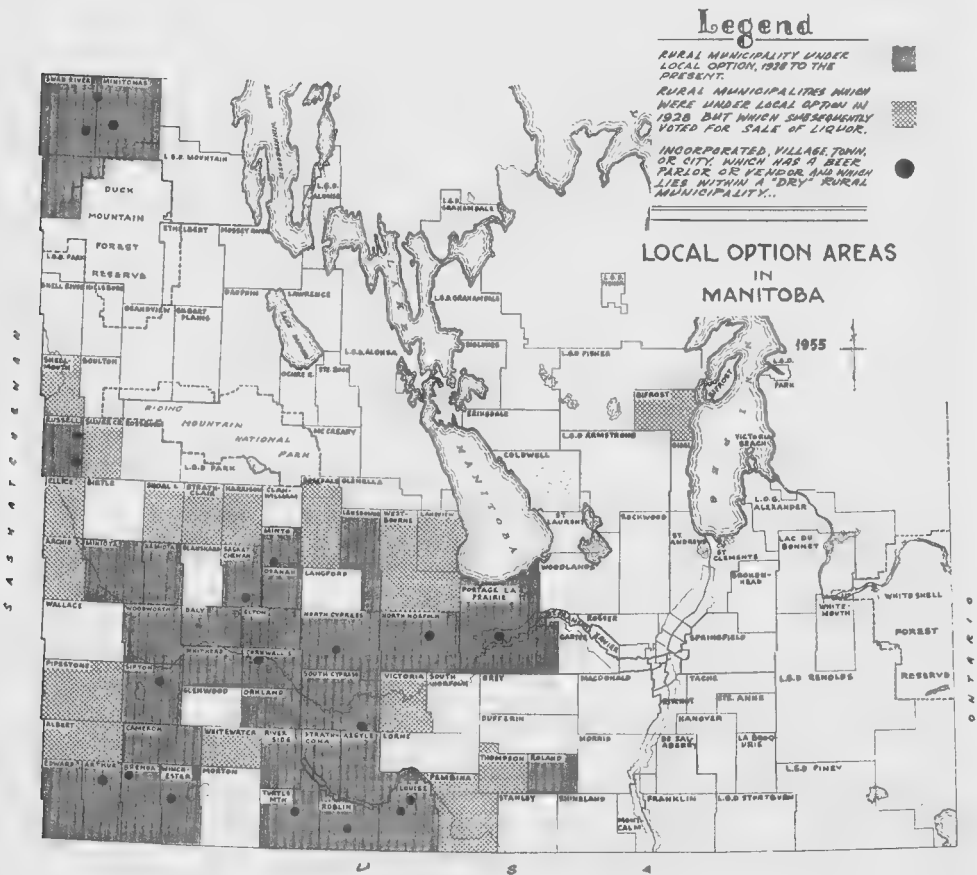


TABLE XII-13

**SUMMARY OF MOTOR VEHICLE ACCIDENTS IN MANITOBA**  
1945-1954

| Year                 | Number<br>Killed | Number<br>Injured | Total<br>Killed and<br>Injured | Number of<br>Motor Vehicles<br>Registered | Number Killed<br>and Injured per<br>10,000 Vehicles |
|----------------------|------------------|-------------------|--------------------------------|-------------------------------------------|-----------------------------------------------------|
| <b>ALL MANITOBA</b>  |                  |                   |                                |                                           |                                                     |
| 1945                 | 65               | 1493              | 1558                           | 92,758                                    | 17.4                                                |
| 1950                 | 65               | 2776              | 2841                           | 157,788                                   | 18.0                                                |
| 1951                 | 92               | 2226              | 2318                           | 171,265                                   | 13.6                                                |
| 1952                 | 107              | 2867              | 2974                           | 187,881                                   | 15.6                                                |
| 1953                 | 102              | 3102              | 3204                           | 202,628                                   | 15.5                                                |
| 1954                 | 121              | 3020              | 3141                           | 211,558                                   | 14.3                                                |
| <b>WINNIPEG ONLY</b> |                  |                   |                                |                                           |                                                     |
| 1945                 | 22               | 1008              | 1030                           |                                           |                                                     |
| 1950                 | 15               | 1336              | 1351                           |                                           |                                                     |
| 1951                 | 12               | 1316              | 1328                           |                                           |                                                     |
| 1952                 | 14               | 1141              | 1155                           |                                           |                                                     |
| 1953                 | 18               | 1381              | 1399                           |                                           |                                                     |
| 1954                 | 17               | 1357              | 1374                           |                                           |                                                     |

Source: Commissioner of Motor Vehicles.

TABLE XII-14

**OPINION ON LIQUOR LEGISLATION IN MANITOBA SINCE 1916**  
**WINNIPEG COMPARED TO REMAINDER OF PROVINCE**  
(As expressed in plebiscites on liquor issues)

|                                                                                                                                    | City of<br>Winnipeg | Remainder<br>of Manitoba |
|------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------------|
| Prohibition Vote, 1916 (Manitoba Temperance Act).<br>Percentage of voters favoring prohibition as proposed<br>in the Act .....     | 58%                 | 68%                      |
| Referendum (1920) on allowing liquor to be imported<br>into Manitoba. Percentage of voters in favor of<br>permitting imports ..... | 57%                 | 37%                      |
| Moderation League Bill (1923), proposing sale of<br>liquor in government stores. Percentage in favor ....                          | 69%                 | 56%                      |
| Beer and Wine League Bill (1923), proposing sale of<br>beer and wine with meals in restaurants. Percentage<br>in favor .....       | 37%                 | 23%                      |
| Extension of beer sales Referendum (1927)—                                                                                         |                     |                          |
| Percentage in favor of extension .....                                                                                             | 65%                 | 51%                      |
| Percentage in favor of beer by the glass .....                                                                                     | 62%                 | 49%                      |
| Percentage in favor of direct sale by Brewers to<br>permittee .....                                                                | 58%                 | 46%                      |

Source: Compiled from election records of the Province of Manitoba.

## PLEBICITES HELD IN MANITOBA ON THE LIQUOR ISSUE, 1870-1954

|    |                                                                                                                                                       |         |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| 1. | July 23, 1892 (Plebiscite held in conjunction with Provincial election).                                                                              |         |
|    | For Prohibition .....                                                                                                                                 | 18,637  |
|    | Against Prohibition .....                                                                                                                             | 7,115   |
| 2. | 1898 (Plebiscite held by Federal Government in each Province to ascertain attitude of Canadian people.) Vote in Manitoba:                             |         |
|    | For Prohibition .....                                                                                                                                 | 12,419  |
|    | Against Prohibition .....                                                                                                                             | 2,978   |
| 3. | April 2, 1902 (on whether the Manitoba Liquor Act of 1900 which provided for Prohibition in the province should be enforced).                         |         |
|    | For enforcement of the Act<br>(i.e., for Prohibition) .....                                                                                           | 15,607  |
|    | Against enforcement of the Act .....                                                                                                                  | 22,464  |
| 4. | 1916 (Referendum on Prohibition in the manner provided for by the Manitoba Liquor Act of 1900).                                                       |         |
|    | For Prohibition .....                                                                                                                                 | 50,484  |
|    | Against Prohibition .....                                                                                                                             | 26,502  |
| 5. | 1920 (Referendum on whether imports of liquor might be permitted into Manitoba, the province then being legally under Prohibition).                   |         |
|    | For allowing imports of liquor .....                                                                                                                  | 46,560  |
|    | Against allowing imports of liquor .....                                                                                                              | 102,196 |
| 6. | June 22, 1923, The Moderation League Bill Referendum (providing for the sale of liquor in stores operated by an agency of the Provincial Government). |         |
|    | For the Bill, i.e., in favor of such sale....                                                                                                         | 107,609 |
|    | Opposed to the Bill .....                                                                                                                             | 68,879  |
| 7. | July 11, 1923, The Beer and Wine League Bill Referendum (providing for the sale of beer and wine with meals in restaurants).                          |         |
|    | For the Bill, i.e., in favor of such sale                                                                                                             | 27,016  |
|    | Opposed to the Bill .....                                                                                                                             | 68,072  |
| 8. | June 28, 1927, Plebiscite on the method to be used in handling beer sales, consisting of three separate questions.                                    |         |
|    | Question i In favor of extension of beer sales outlets .....                                                                                          | 79,129  |
|    | Opposed to extension of beer sales outlets .....                                                                                                      | 62,464  |
|    | Question ii In favor of beer sales by the glass .....                                                                                                 | 76,687  |
|    | Opposed to the above, and preferring cash and<br>carry beer sales in government stores for con-<br>sumption at home .....                             | 67,092  |
|    | Question iii In favour of abolishing brewers' right to sell<br>beer directly to permit holders .....                                                  | 64,796  |
|    | Opposed to abolishing the above brewers' rights                                                                                                       | 65,610  |

their percentage of profit is high is generally accepted. A discussion of this matter will be found in the chapter on Brewers. (Chap. XXIX.)

**20.** Hotel Revenues from beer have been increasing steadily and now constitutes two-thirds of their gross revenue.

The Liquor Control law has made beer selling by hotels the profitable end of the hotel business. The estimated gross profit of hotels from beer sales has increased from \$2.4 million in 1930 to \$5.9 million in 1954. For twelve years prior to 1928 hotels had no legitimate revenue from intoxicating liquor (there was some sale of "near beer", that is, under 2½% proof or 1¼% alcohol), and many hotels were on the verge of bankruptcy. At the present time 67% or two-thirds of the total gross receipts of hotels in Manitoba come from the sale of beer. Some proprietors are consequently tending to neglect the hotel business for the beer business. (Chap. XIII-6.)

**21.** The gross revenue to hotel licensees from beer varies within wide extremes.

Hotel licensees have been granted a practical monopoly of the retail trade in beer. The Government fixes the price they must pay for beer and also the price at which it must be sold by them to consumers. Prices have been made uniform both to licensees and to consumers throughout the whole of Manitoba except in the far north where the price is higher for both licensees and for consumers. As the beer business has increased, it has been of great financial advantage to most hotels; and such increases have conferred upon them unequal benefits of roughly from \$1,000.00 in gross returns to over \$100,000.00, depending largely upon size and location.

This is not meant to be a censure of the hotel owners. They are business men who are simply taking advantage of the opportunity the provisions of the present law as it is now written and administered gives to them.

**22.** Trends re Breweries—The facts available in this connection will be found in Chapter XXIX.

### Where Are We Heading?

(1) The number of drinkers has increased compared to eighty years ago. Excessive use by individuals has decreased since then, though it is now on the increase again. Law enforcement of parts of the Act has been found to lack public support and has declined. Lessened self-discipline as regards law observance has become notorious. Prohibition is seldom mentioned. Moderation is the present trend. Alcoholism is on the upgrade.

(2) The direction that consumption and its attendant consequences have assumed will be cause for concern. To many, what has been happening will constitute a challenge to the community to re-examine what has taken place and why. It furnishes but little satis-

faction to learn that the trends are not unlike those in other parts of the Dominion or that their top limits are still below most European jurisdictions and much below some of them.

The present trends, as has been noted, have developed with the expansion of incomes, the increase of leisure time, the aftermath of wars, the lessened militancy of the temperance cause, and the social changes which have invited our people in great numbers from their homes to the highways and places of leisure and recreation. The recognition of what has been happening and why cannot but give cause for serious reflection.

(3) While some trends are in the wrong direction, the reasons for them are not hard to find. The effects of two world wars on two succeeding generations do not disappear over night; that such consequences have always shaken previous concepts of morality is a matter of history, and on top of this in our case has come a period of economic prosperity unprecedented in our time. The ethical standards of a previous era have thus suffered from the clash of many forces never before witnessed on such a scale in this part of the world.

### What to do?

Public recognition and understanding of what has happened—given time—will bring some measure of adjustment. To what degree and how soon rests with the Manitoba community, and what the community does depends upon what its individuals do. Changes in the words of a statute will not alone reverse recent trends or result in any rapid social gains. At the moment the attitude seems to be one of reaction against certain restrictive doctrines of the past. That is understandable, but it is a fatalistic and non-constructive doctrine that may remedy some faults but cure no basic ills.

A program that will change the course of custom must be one that will carry conviction to every thoughtful mind. In our case, it involves a conscious decision on the part of individuals to stand against some of the creeping tendencies arising from prosperity and the extravagant and easy ways it invites. No society but ours will determine our future standards of conduct; and no miracle is waiting to take from us our responsibility—unless a realistic approach to the problem is itself a miracle.

In our case, as in others, we must let facts as well as ideals be our guide. Whatever the facts be they must be made clear through honest research and unprejudiced instruction of both old and young. Our society will then find its own way to such acceptable standards of behaviour as it deserves. Fuller acceptance of more clearly understood facts can be made to lead the way to a future in which those who live in it may take pride. We can make steady progress possible providing honest research prevails, faithful instruction follows, and an intelligent democracy recognizes its responsibility and accepts it.

## CHAPTER XIII

### MANITOBA'S PRESENT POSITION—ACTUAL AND RELATIVE

Where does Manitoba stand after 85 years of experience with the liquor problem? Where does she find herself today after 45 years under the "license" system, 7 years under "prohibition", and 33 years under the "control" system, of regulating the liquor business. How does she compare with other Provinces and with other countries, and with her own idea of what is best?

The previous chapter tried to show the direction in which the Province was heading. This one seeks to show the relative position in which she finds herself in the various aspects of the liquor problem.

#### 1. What Manitoba consumes.

In 1954 the amount of alcoholic beverages consumed in Manitoba was as follows. •See Chart XIII-1.

|               |                    |
|---------------|--------------------|
| Spirits ..... | 554,396 Gallons    |
| Wine .....    | 264,853 Gallons    |
| Beer .....    | 10,044,424 Gallons |
| <hr/>         |                    |
| Total .....   | 10,863,673 Gallons |

#### 2. The Consumption per capita in Manitoba—15 years and over—1952 was:\*

|               |               |
|---------------|---------------|
| Spirits ..... | .88 Gallons   |
| Wine .....    | .49 Gallons   |
| Beer .....    | 15.61 Gallons |

The approximate differences in alcoholic content of these three types of beverage are as follows: Beer about 4% (by weight),\*\* Natural Wines up to 11%. Fortified Wines up to 18% and Spirits 35 to 55%, generally in this Province about 35%.

It is not sufficient to speak of gallonage only in dealing with the different types of liquor. The content in gallons of "absolute alcohol" gives a much better and easier means of comparison. On the basis of absolute alcohol, the consumption per capita in Manitoba (1952) was 1.22 gallons, comprising spirits—.35 gallons; wine—.08 gallons; beer—.79 gallons. The proportions of each were thus 29% spirits, 6% wine and 65% beer.

The average Canadian consumption per capita is somewhat larger than that of Manitoba—1.48 gallons compared to 1.22 gallons. The proportions for Canada were 30% spirits, 6% wine and 64% beer.

•Source: Manitoba Government Liquor Control Commission.

\*Source: Alcoholism Research Foundation of Ontario reporting data from Keller, M., and Efron, B. Tables of Apparent Consumption of Alcoholic Beverages.

\*\*Add  $\frac{1}{4}$  to show alcoholic content by volume.

# MANITOBA LIQUOR CONSUMPTION 1954

BY VOLUME

BEER - SPIRITS - WINE



ABSOLUTE ALCOHOL

BEER - SPIRITS - WINE



## BEER

TOTAL  
CONSUMPTION  
10,044,242  
GALLONS

ABSOLUTE  
ALCOHOL  
502,221  
GALLONS

## SPIRITS

TOTAL  
CONSUMPTION  
554,398  
GALLONS

ABSOLUTE  
ALCOHOL  
221,759  
GALLONS

## WINE

TOTAL  
CONSUMPTION  
264,853  
GALLONS

ABSOLUTE  
ALCOHOL  
47,674 GALS.

### 3. Manitoba Consumption in Comparison with other Provinces.

The relative per capita consumption of liquor by Manitoba as compared to other Provinces on the basis of absolute alcohol for persons 15 years and over, is reported to be as follows: (1952)\*

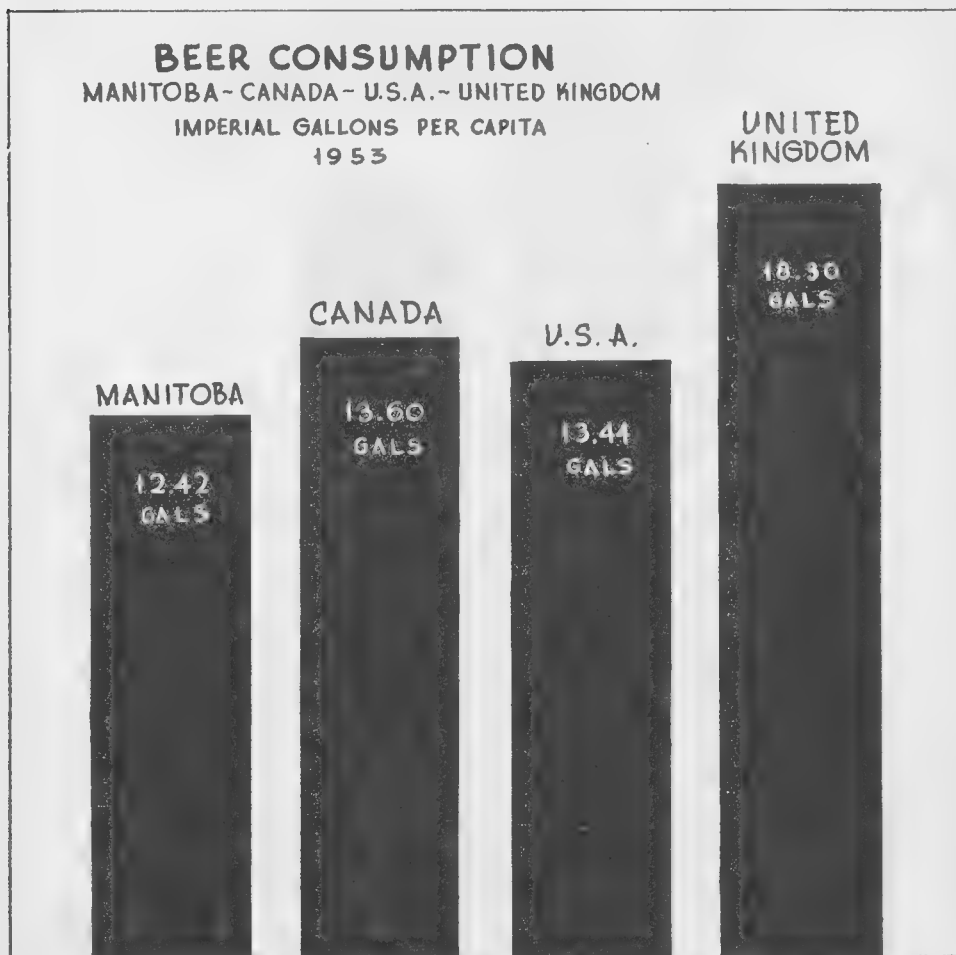
|                    |              |
|--------------------|--------------|
| Ontario .....      | 1.62 Gallons |
| Alberta .....      | 1.41 Gallons |
| Quebec .....       | 1.40 Gallons |
| Manitoba .....     | 1.22 Gallons |
| Saskatchewan ..... | 1.06 Gallons |
| Nova Scotia .....  | .95 Gallons  |

\*Source: Statistical Report—Alcoholism Research Foundation of Ontario—1954.

Note: Figures for the Provinces not listed are unavailable. It is probable, however, that British Columbia would be at the top of the list.

### 4. Manitoba Consumption in Comparison with Britain. See Charts XIII-2, XIII-3 and XIII-4.

CHART XIII-2





The average Canadian, 15 years and over, drinks 15% more absolute alcohol than his British cousins, but the average Manitoban drinks about 4% less. The United Kingdom consumption of absolute alcohol per capita per year is 1.28 gallons, made up of 11% spirits, 4% wine and 85% beer.\*\* As compared with British users the average Manitoba drinks about 2/3 as much beer, about twice as much spirits and 1¼ times as much wine as his British cousins.

\*\*Source: Alcoholism Research Foundation of Ontario reporting data from Keller, M., and Efron, B. Tables of Apparent Consumption of Alcoholic Beverages.

**5. Manitoba Consumption in comparison with United States.**

The annual consumption of absolute alcohol per capita in the United States is 1.66 gallons per year, or 1/8 more than that in Manitoba. The average Manitoban drinks 30% less spirits and 50% less wine, but very little less beer, than the average citizen of the United States.

CHART XIII-3

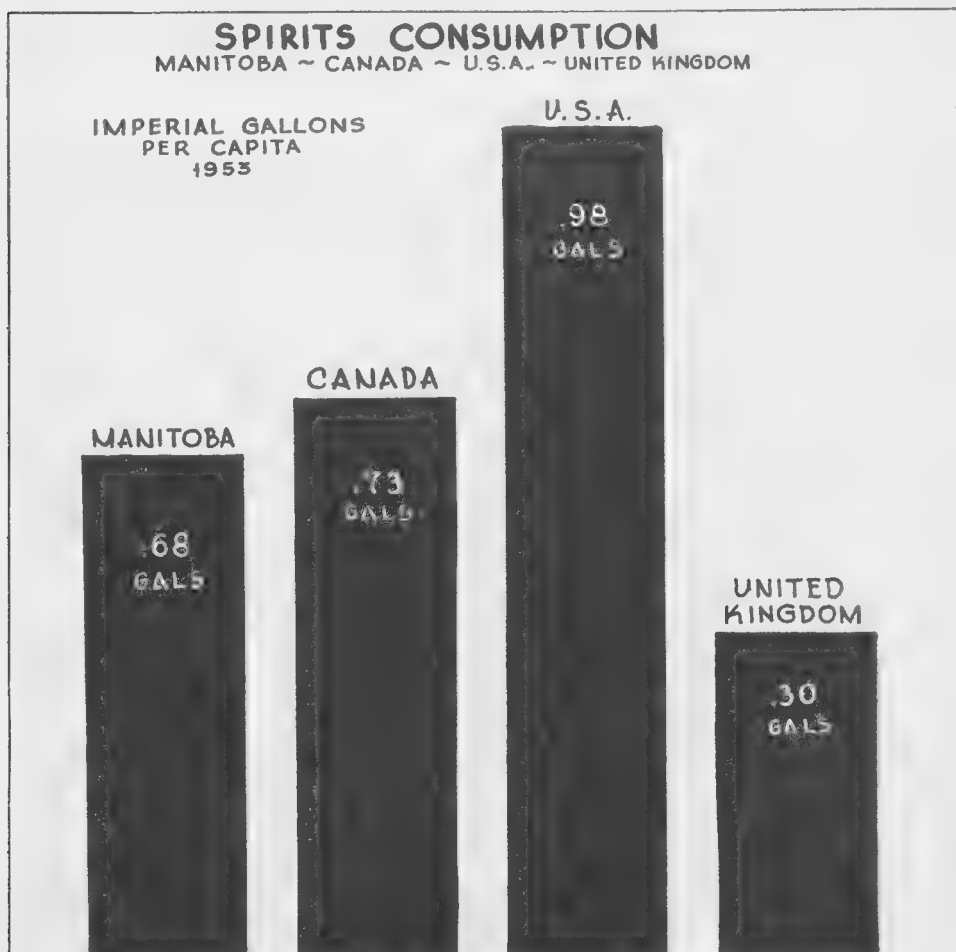


## 6. Manitoba Consumption in Comparison with Other Countries.

On a per capita basis, the average Manitoban 15 years and over, drinks 1.22 gallons of absolute alcohol per year. The comparable figures for citizens of other countries are as follows:

|                         |              |
|-------------------------|--------------|
| 1. France .....         | 2.95 gallons |
| 2. Italy .....          | 2.05 gallons |
| 3. United States .....  | 1.66 gallons |
| 4. Belgium .....        | 1.65 gallons |
| 5. Switzerland .....    | 1.60 gallons |
| 6. Canada .....         | 1.48 gallons |
| 7. Denmark .....        | 1.29 gallons |
| 8. United Kingdom ..... | 1.28 gallons |
| 9. Sweden .....         | 1.06 gallons |
| 10. Ireland .....       | .98 gallons  |

CHART XIII-4



|                       |             |
|-----------------------|-------------|
| 11. Netherlands ..... | .94 gallons |
| 12. Norway .....      | .62 gallons |
| 13. Finland .....     | .55 gallons |

## 7. Abstainers, Moderate Users, Problem Drinkers and Alcoholics in Manitoba.

The estimated population of the Province is now 828,000. The estimated number twenty years of age and over is 521,000. On the assumption that 70% of those over 20 years of age use some alcoholic beverage, there would be 364,700 adult users. If 15% of the 34,319 between seventeen and twenty years of age use some liquor, 5,147 teen-agers would be added, thus making the estimated total of users over sixteen years of age in the Province about 370,000 and the estimated number of abstainers about 185,000, a ratio of users to abstainers of about two to one.

It has been estimated that there are 10,000 excessive drinkers and 10,000 alcoholics, the latter including 2,500 chronic alcoholics.

## 8. Users and Abstainers in Different Groups.

The percentage of users and abstainers twenty-one years of age and over in Manitoba is not known, but an estimate for Canada has been arrived at and is reported to be as follows:\*

|                                 | Users | Abstainers |
|---------------------------------|-------|------------|
| On basis of Sex—                |       |            |
| Men .....                       | 76%   | 24%        |
| Women .....                     | 64%   | 36%        |
| On basis of Age—                |       |            |
| 21-29 .....                     | 75%   | 25%        |
| 30-49 .....                     | 72%   | 28%        |
| 50 and over .....               | 59%   | 41%        |
| On basis of Education—          |       |            |
| Less than High School .....     | 65%   | 35%        |
| High School or more .....       | 73%   | 27%        |
| On basis of Economic Standards— |       |            |
| Poor .....                      | 66%   | 34%        |
| Average .....                   | 72%   | 28%        |
| Prosperous .....                | 76%   | 24%        |

\*Source: Alcoholic Research Foundation of Ontario reporting data from Canadian Institute of Public Opinion Release, Feb. 4/50. (The Enquiry Commission has no assurance of the accuracy of these figures; they are quoted only as an indication of the probable trends.)

### On basis of Size of Community—

|                      |     |     |
|----------------------|-----|-----|
| Farm .....           | 62% | 38% |
| Under 10,000 .....   | 67% | 33% |
| 10,000-100,000 ..... | 72% | 28% |
| Over 100,000 .....   | 76% | 24% |

It will be noticed from the above that more men drink than women; more young adults drink than older ones; more with high school education drink than those without it; more from prosperous homes drink than from less prosperous ones; and proportionately more people drink in thickly populated communities than in rural ones. It may be observed in passing that these trends are fairly typical of those said to exist in other countries.

### 9. Users and Abstainers by Provinces.

The percentage of users twenty-one years and over in Manitoba is not known. An estimate for the "Prairies" for 1952 puts it at 72%. Assuming this figure to be correct for Manitoba, the comparison of this province with certain other provinces in Canada would be as follows:

|                                     | Users | Abstainers |
|-------------------------------------|-------|------------|
| Maritimes .....                     | 59%   | 41%        |
| Ontario .....                       | 69%   | 31%        |
| Quebec .....                        | 71%   | 29%        |
| Prairies (including Manitoba) ..... | 72%   | 28%        |
| British Columbia .....              | 81%   | 19%        |
| CANADA .....                        | 70%   | 30%        |

It will be seen that the percentage of users is about 15% less in the Maritimes, and about 15% more in British Columbia, than in the inland provinces of Canada—the proportions being, Martimes 59%; Central Provinces, 70%; Prairies, 72%, and British Columbia, 81%. It will be noticed also that the percentage of users in the Prairies is almost the same as for Canada—72% as compared with 70%.

Source: Report of Alcoholism Research Foundation of Ontario, 1954.

### 10. Local Option—Its Present Status.

There are at present 190 political subdivisions in Manitoba comprising 114 rural municipalities, 38 villages, 34 towns, and 4 cities.

Dry areas under local option number 32 municipalities, and 1 village.

Out of a total population of 776,500 in 1951, 64,806 people lived in dry local option areas.

Since the expansion in mileage of good roads and the increase in number of automobiles, the effectiveness of local option as a preventative measure has been greatly lessened; and the intrusion of "wet" areas in villages within "dry" municipalities has further lessened its utility for the purpose originally intended.

## Urban vs. Rural point of view.

An important aspect of public opinion in the liquor question in Manitoba is the distinctly different attitude of parts of South-western Manitoba to that of the City of Winnipeg. A reference to Chart Number XII-11 (local option map) in Chapter XII, and the result of the different referenda and plebiscites quoted in Table XII-14 of that chapter, will help make this point clear. It is important because of its bearing on the question of local option.

### 11. Where Manitoba Gets Its Liquor.

Of the three types of liquor, only beer is manufactured in this province. Six breweries—two large, two medium and two small—produce practically all that is consumed here. Their production in 1953 they report as being 404,693 barrels, or 10,117,325 gallons. Imports in that year were 170,938 gallons, and exports 62,640 gallons.

The spirits used in Manitoba in 1954—554,498 gallons—were purchased from outside Manitoba as follows:

|                              |                 |
|------------------------------|-----------------|
| Canada .....                 | 434,578 gallons |
| United Kingdom .....         | 86,325 gallons  |
| British West Indies .....    | 9,826 gallons   |
| Australia .....              | 8,025 gallons   |
| France .....                 | 5,560 gallons   |
| South Africa .....           | 4,298 gallons   |
| Holland .....                | 2,290 gallons   |
| U.S.A. and Puerto Rica ..... | 1,527 gallons   |
| Cuba .....                   | 720 gallons     |
| Sweden .....                 | 419 gallons     |
| Northern Ireland .....       | 380 gallons     |
| Denmark .....                | 359 gallons     |
| Eire .....                   | 191 gallons     |

Source: Government Liquor Control Commission.

The amount of wine purchased for use in Manitoba in 1954 was 264,853 gallons. It came mostly from Ontario—202,000 gallons; the balance of 60,000 gallons was imported,  $\frac{3}{4}$  of it from South Africa and Australia, and  $\frac{1}{4}$  of it chiefly from the United States, France, Spain and Portugal. The Liquor Commission officials estimate that about 90% of the total consumed was fortified and 10% natural wine.

### 12. Where Manitoba Consumers get Their Liquor.

The various sales outlets for liquor are rather fewer in Manitoba in proportion to population than in most other Provinces. They include:

For package sale for home consumption:

20 Government Stores—selling all liquors.

258 Hotel Vendors—selling beer only.

52 Drug Store Licensees—selling all liquors.\*

3 Sacramental Wine Licensees—selling wine only.

For sale by-the-glass on the premises:

269 Hotel Beer Parlors (beer only).

73 Clubs (beer only).

70 Canteens (beer largely, but wine and spirits to Officers and senior N.C.O.'s messes).

9,161 Banquet Permittees (1954)—beer, wine and spirits.

### **13. What Manitoba Pays for Liquor.**

During the year 1954, Manitoba's people, it is estimated, paid \$42.7 million for liquor. Of this amount \$14.3 million was spent for spirits, \$1.6 million for wine and \$26.8 million for beer.

On a per capita basis of the total population—men, women and children—Manitoba's expenditure exceeded \$51.00 per head in 1954. On the basis of the estimated number of those who drink, it amounted to \$115.00 per head.

When it is realized that some who are labelled "users" do not pay more than \$5.00 per year for liquor, that in 1954 11% of the spirits drinkers purchased 60% of the total quantity sold, and that 17% of the purchasers of packaged beer bought 52% of the total sold, it would seem that some of the individuals among the excessive drinkers must have spent very large sums in proportion to their incomes.

Our studies indicate that, in addition to anything they may have spent in the beer parlor, about 11% of the permit holders made purchases in excess of \$500.00 per year for liquor and that 2% at the top spent in excess of \$1,000 per year. On the reasonable assumption that there are two users for each permittee it would appear that one out of every fifty users spends in excess of \$500.00 per year for liquor.

In any event, the total personal income of all the people is known and the amount they spend for liquor is known. The total personal income was \$921,000,000 in 1953, and the liquor bill was \$42,700,000. The liquor bill is therefore 4.6% of the total income of all the people. But this bill was not paid by all the people—it was paid only by those who drink or about two-thirds of those who have incomes. On the assumption that those who drink have incomes approximating the general average, it will be seen that the percentage of their income spent on liquor was not 4.6% but about 6.9%.

\*Druggist licensees are permitted by the Act to keep in their premises limited quantities of spirits, wines, or beer which may be dispensed on receipt of Doctor's perscriptions limiting spirits to 12 oz. per day, wine 24 oz. per day, or beer 2 gals. per week. The total sales by druggists during 1954 were: spirits 651 gals., wine 4 gals., beer nil. No druggist's license is issued at a point where there is a Government Liquor Store.

#### **14. What the Manitoba Government Liquor Commission pays for Liquor in Relation to what Other Provinces Pay.**

It will be of interest to examine what Manitoba pays for liquor in relation to what other Provinces pay.

(i) The f.o.b. prices of spirits and wine to the various Liquor Control Commissions are reported to be the same for all Provinces—the only difference being in freight costs.

(ii) The retail prices of spirits to consumers depends upon the “mark-up” added by the different Liquor Commissions. These vary considerably from Province to Province. The mark-up is frequently 75% or more above the “landed cost” and generally it is more on imported than domestically produced goods. Each Province determines its own policy on these points. The retail prices charged in each Province for some representative brands are shown in Table XIII-1.

(iii) The prices of beer charged by brewers to different Provincial Commissions vary from Province to Province. They are highest in the Prairie Provinces—lowest in Quebec and Ontario. Scarcely any two are exactly comparable, but in Table XIII-2 will be found some comparisons, and explanatory footnotes.

(iv) The Enquiry Commission has not had access to the records of other Provinces. The comparisons given are based on such statistics as were otherwise obtainable.

(v) Table XIII-3 shows the prices charged by brewers to different Commissions in four Western Provinces for half kegs.\*

(vi) Table XIII-4 shows prices charged by brewers in four Western Provinces for cartons.\*

#### **15. Prices Manitoba Consumers Pay.**

The total liquor bill is of great general interest, but the retail prices to individuals are of particular interest. These are determined by the Government Liquor Control Commission. They bear a varying relationship to the cost of the liquor to the Commission. The prices of wine and spirits to the Commission, as has been said, are determined by manufacturers outside our borders and are practically the same, save for transportation costs, to all Provinces. The price of beer to the Liquor Commission, however, is determined by negotiations between the Commission and the brewers. The mark-up allowed by the Commission on beer sales to consumers varies from a low of 11% in the case of beer vendors, to as much

\*The figures for the prices paid to brewers by the different Provinces are not strictly comparable since in some cases they cover items other than beer, such as handling and delivery charges, taxes, etc.

**DIFFERENCES IN NET RETAIL PRICES PER BOTTLE OF REPRESENTATIVE BRANDS OF SPIRITS  
IN GOVERNMENT LIQUOR STORES (ALL PROVINCES, 1954)**

| Types of Liquor                         | Nfld.  | P.E.I. | N.S.   | N.B.   | Que.   | Ont.   | Man.   | Sask.  | Alta.  | B.C.   |
|-----------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| High prices Whisky<br>(Canadian) 25 oz. | \$5.00 | \$4.75 | \$5.10 | \$5.15 | \$4.50 | \$4.30 | \$4.80 | \$4.95 | \$4.95 | \$4.50 |
| Low prices Whisky<br>(Canadian) 25 oz.  | 4.70   | 4.25   | 4.65   | 4.32   | 3.75   | 3.55   | 4.00   | 4.05   | 4.15   | 3.85   |
| Premium Scotch Whisky 26 oz.            | 6.30   | 6.25   | 6.45   | 6.26   | 6.10   | 5.85   | 6.10   | 6.25   | 6.25   | 6.50   |
| Standard Scotch Whisky 26 oz.           | 5.50   | 5.75   | 5.50   | 5.49   | 5.25   | 5.05   | 5.25   | 5.40   | 5.25   | 5.50   |
| Dry Gin (Imported) 26 oz.               | 3.90   | 4.50   | 4.75   | 4.71   | 4.60   | 4.40   | 4.50   | 4.75   | 4.70   | 4.65   |
| Dry Gin (Canadian) 25 oz.               | 3.50   | 3.60   | 4.05   | 4.08   | 3.55   | 3.30   | 3.80   | 3.90   | 3.95   | 3.50   |
| Cuban Rum (Qts.)                        |        |        | 7.25   | 7.04   | 7.20   | 6.75   | 6.80   | 7.25   | 7.10   | 7.15   |
| Imported Brandy (France) 26 oz.         | 6.70   | 6.25   | 6.85   | 6.25   | 6.25   | 6.15   | 6.30   | 6.65   | 6.50   | 6.50   |

The above prices do not include certain taxes collected at the time of sale as follows:

|                                                   |                                                             |
|---------------------------------------------------|-------------------------------------------------------------|
| Newfoundland—3% Social Security Tax               | Prince Edward Island—10% Health Tax                         |
| New Brunswick—3% Social Service and Education Tax | Quebec—Special provincial tax, plus 2% Provincial Sales Tax |
| Saskatchewan—3% Education and Hospitalization Tax | British Columbia—5% Social Service Tax                      |



**PRICES PAID TO BREWERS, FOR STANDARD QUANTITIES  
OF BEER, PROVINCES OF CANADA, AUGUST, 1955\***

|                                                                                                             | 1.<br>P.E.I. | 2.<br>N.S.  | 3.<br>N.B.  | 4.<br>Que.   | 5.<br>Ont.   | 6.<br>Man.         | 7.<br>Sask. | 8.<br>Alta. | 9.<br>B.C. |
|-------------------------------------------------------------------------------------------------------------|--------------|-------------|-------------|--------------|--------------|--------------------|-------------|-------------|------------|
| Half keg, deducting allowance for container and provincial tax on breweries .....                           | Not Sold     |             | Not Sold    | 10.<br>12.69 | 11.<br>13.41 | 12. & 17.<br>15.37 | 14.25       | 14.50       | 14.25      |
| Carton of two dozen 12-oz. bottles, deducting allowance for containers and provincial tax on breweries .... | 13.<br>3.66  | 13.<br>3.66 | 13.<br>3.66 | 14.<br>2.64  | 15.<br>2.84  | 16.<br>3.27½       | 3.28        | 3.28        | 3.36       |

\* Prices not fully comparable, as freight and warehousing services provided by brewers vary from province to province.

When these differences in freight and warehousing obligations are taken into account the net price paid to brewers in Manitoba appears comparable to those paid in the other Prairie Provinces. A precise comparison is not possible.

- (1) Liquor Commission pays freight and warehouse costs.
- (2) Brewery pays freight costs. Liquor Board maintains warehouses.
- (3) Brewery pays freight. Liquor Board maintains warehouses.
- (4) Received on draught sales in and near Montreal, Quebec, Levis, with breweries paying delivery costs. On sales outside these areas breweries receive only \$11.69 per half keg, but do not pay delivery costs.
- (5) Central and Southern Ontario. Breweries pay all freight and warehouse costs.
- (6) Brewers pay all freight and warehousing costs.
- (7) Brewers pay freight costs only on shipments to central warehouses. Breweries pay warehousing costs.
- (8) Brewers pay all freight charges, but Alberta Liquor Control Board maintains, at its own expense, central warehouses for beer storage and distribution.

TABLE XIII-2  
(continued)

PRICES PAID TO BREWERS, FOR STANDARD QUANTITIES  
OF BEER, PROVINCES OF CANADA, AUGUST, 1955\*  
(Continued)

- (9) Brewers pay all freight and warehousing costs.
- (10) Brewers receive \$14.50 but must pay \$1.81 in gallonage tax to the provincial liquor authority.
- (11) Brewers receive \$14.50 but must pay \$1.09 in gallonage tax to the provincial liquor authority.
- (12) Brewers receive \$16.93 but must pay \$1.56 in gallonage tax to the provincial liquor authority.
- (13) Includes price of empty bottles. Empties are collected and shipped back to brewers by bottle collectors.
- (14) Breweries receive \$2.90 but must pay 26.1 cents in gallonage tax to the provincial liquor authority.
- (15) Breweries receive prices as follows:
  - On sale to licensees—\$3.00 per carton.
  - On sales to the Liquor Control Board—\$3.12 per carton.
  - On sales to Consumers—\$3.40 per carton.A gallonage tax of 15.7 cents per carton is payable to the liquor authority on each type of sale.
- (16) Breweries receive prices as follows:
  - On sales to the Liquor Commission—\$3.50.
  - On sales to the Consumer—\$3.90.On both types of sale a gallonage tax of 22.5 cents is payable to the provincial liquor authority.
- (17) Manitoba brewers pay warehousing charges and virtually all freight charges, while in Saskatchewan the Liquor Board pays a large portion of freight costs, and in Alberta the Liquor Board pays warehousing costs.

Source: Information supplied by the Liquor Control Authorities.

## PRICES PAID TO BREWERIES BY LIQUOR BOARDS\*

(½ Keg of 12½ Gallons) (1)

## FOUR WESTERN PROVINCES, 1950 AND 1955

(Excluding Allowances for Containers)

|                                                          | Manitoba | Sask.   | Alta.   | B.C.    |
|----------------------------------------------------------|----------|---------|---------|---------|
| Price paid to Brewers prior to October 18, 1950          | \$14.50  | \$12.00 | \$12.50 | \$12.15 |
| Less Provincial Gallonage Tax                            | 1.56     | -----   | -----   | -----   |
| Net Price, 1950                                          | 12.94    | 12.00   | 12.50   | 12.15   |
| Increases in price in 1950 and 1951 (See Note (2) below) | 3.23     | 2.25    | 2.00    | 2.10    |
| Price paid to breweries after 1950                       | 17.73    | 14.25   | 14.50   | 14.25   |
| Less Provincial Gallonage Tax                            | 1.56     | -----   | -----   | -----   |
| Net price in effect, October, 1950                       | 16.17    | 14.25   | 14.50   | 14.25   |
| Price to Manitoba brewers effective July 16, 1955        | 16.93    | -----   | -----   | -----   |
| Less Provincial Gallonage Tax                            | 1.56     | -----   | -----   | -----   |
| Net price in effect since July 16, 1955                  | 15.37    | -----   | -----   | -----   |

Source: Information supplied by the Liquor Control authorities of the provinces named.

When differences in freight and warehousing obligations are taken into account, the net price to brewers in Manitoba appears comparable to those paid to brewers in the other Prairie Provinces.

## (1) Note re delivery and warehousing costs:

Except in Saskatchewan, breweries are responsible for all freight charges. (Licensees in isolated points, to which transport charges are extremely high, generally pay part of the charges, however.) Otherwise, breweries pay all freight charges incurred in shipping full containers to licensees, and in returning the empties from licensees to breweries.

In Saskatchewan the breweries are responsible only for the freight charges incurred in shipments to one or other of the eight warehouses maintained by the Liquor Control Board of the province (and in the return of empties from the warehouse). The Board pays the freight charges on all shipments from warehouses to licensee, and on the return of empties from licensee to warehouse.

Whereas in the other three provinces all warehousing is done by the breweries themselves, in Alberta the Liquor Control Board maintain warehouses in strategically located provincial centres, to which breweries ship their beer. Freight charges to and from the warehouse are paid by the breweries.

(2) The Federal government increased the malt tax by five cents per pound on October 18, 1950. Since approximately 24 pounds of malt are reported to be used in the manufacture of a half keg of beer, this raised the brewers' costs by about \$1.20. On May 16, 1951, the Federal government raised the sales tax from 8% to 10%, thereby increasing the sales tax on a half keg about 26 cents. Thus, as a consequence of these two tax increases, brewers' costs increased approximately \$1.46.

TABLE XIII-4

**PRICES PAID TO BREWERIES BY LIQUOR BOARDS**  
**FOUR WESTERN PROVINCES, 1950 AND 1955**  
**(For Carton of 2 Dozen 12-oz. Bottles, Excluding Allowance for Empties)**

| Carton of 2 doz.<br>12 oz. Bottles                                           | (1)<br>Manitoba    | (2)<br>Sask. | (3)<br>Alta. | B.C.   |
|------------------------------------------------------------------------------|--------------------|--------------|--------------|--------|
| Price paid to brewers prior to<br>Oct. 18, 1950                              | \$2.98             | \$3.03       | \$2.87       | \$2.92 |
| Less provincial gallonage tax                                                | .22 $\frac{1}{2}$  | .00          | .00          | .00    |
| Net price received by brewer                                                 | 2.75 $\frac{1}{2}$ | 3.03         | 2.87         | 2.92   |
| Increase in price due to higher<br>Federal taxes imposed in 1950<br>and 1951 | .54                | .25          | .41          | .44    |
| Prices paid to breweries in<br>1955                                          | 3.52               | 3.28         | 3.28         | 3.36   |
| Less provincial gallonage tax                                                | .22 $\frac{1}{2}$  | .00          | .00          | .00    |
| Net price received by brewer<br>in 1955                                      | 3.29 $\frac{1}{2}$ | 3.28         | 3.28         | 3.36   |
| Price to Manitoba brewers<br>effective July 16, 1955                         | 3.50               | .....        | .....        | .....  |
| Less provincial gallonage tax                                                | .22 $\frac{1}{2}$  | .....        | .....        | .....  |
| Net price in effect since July<br>16, 1955                                   | 3.27 $\frac{1}{2}$ | .....        | .....        | .....  |

(1) Manitoba brewers have been permitted to sell bottled beer directly to consumers, a privilege not possessed by the breweries of any other western province. On such sales, which in the fiscal year 1954 amounted to approximately one-fifth of all their bottles beer sales, Manitoba breweries receive the full retail price paid by the consumer; this was, in 1954, 38 cents per carton more than the price received per carton on sales to the Liquor Commission.

(2) The Saskatchewan Liquor Control Board pays part of the freight charges involved in shipping beer to retail outlets.

(3) The Alberta Liquor Control Board maintains warehouses required for beer distribution throughout the province. In Manitoba the brewers pay all warehousing and virtually all freight charges.

Source: Information supplied by the Liquor Control Authorities.

as 67% in the case of other beer licensees. The Commission mark-up on wine and spirits sales to consumers varies from 75% to 85%.

Table XIII-5 shows prices to consumers of representative types of spirits in Manitoba Liquor Stores by years since 1928.

Table XIII-6 shows prices to licensees and consumers for beer in Manitoba from July 1, 1951. to July 1, 1955.

#### 16.(A) The Liquor Revenue is Low in Relation to Other Provinces.

The liquor revenue for each of the four Western Provinces for 1954 as reported by the Dominion Bureau of Statistics was as follows:

|                  |              |
|------------------|--------------|
| Manitoba         | \$ 8,720,000 |
| Saskatchewan     | 11,408,000   |
| Alberta          | 15,643,000   |
| British Columbia | 21,387,000   |

(B) Liquor Revenue in Relation to Sales is Lower than that of Any Other Province. It is 26% here, 29% or over in the other Western Provinces and up to 50% in Newfoundland.

|                      | Total Liquor<br>Board Sales | Liquor Board<br>Net Revenue | Net Revenue<br>as % of<br>Liquor Sales |
|----------------------|-----------------------------|-----------------------------|----------------------------------------|
| Newfoundland         | \$ 6,236,000                | \$ 3,115,000                | 50.0%                                  |
| Prince Edward Island | 2,971,000                   | 1,183,000                   | 39.5                                   |
| Nova Scotia          | 26,852,000                  | 9,816,000                   | 36.6                                   |
| New Brunswick        | 17,727,000                  | 6,490,000                   | 36.7                                   |
| Quebec               | 68,266,000                  | 35,710,000                  | 52.2                                   |
| Ontario              | 115,317,000                 | 47,036,000                  | 40.9                                   |
| Manitoba             | 33,545,000                  | 8,720,000                   | 26.0                                   |
| Saskatchewan         | 39,119,000                  | 11,408,000                  | 29.2                                   |
| Alberta              | 53,985,000                  | 15,643,000                  | 29.0                                   |
| British Columbia     | 71,946,000                  | 21,387,000                  | 29.7                                   |

Notes: (1) Prince Edward Island Revenue includes \$270,000 in Sales Tax.

(2) Quebec Revenue includes \$1,524,000 in Sales Tax.

(3) Higher percentages in Newfoundland, Quebec and Ontario, due largely to the fact that most of their beer sales are not included in Liquor Board Sales.

(4) Proportions of beer sales to total sales being lower in Maritimes than in Western Provinces is an important reason why their revenue percentage is greater.

Source: Control and Sales of Alcoholic Beverages year ending March 31, 1954. Dominion Bureau of Statistics for sales and revenues. Percentages calculated from first two columns.

#### (C) Liquor Revenue Per Capita is Lower than in Other Western Provinces.

|                  | Population<br>D.B.S.<br>1954 Est. | Total Revenue<br>from<br>Liquor Control | Per Capita<br>Liquor Revenues |
|------------------|-----------------------------------|-----------------------------------------|-------------------------------|
| Manitoba         | 828,000                           | \$ 8,720,000                            | \$10.53                       |
| Saskatchewan     | 878,000                           | 11,408,204                              | 13.00                         |
| Alberta          | 1,039,000                         | 15,643,069                              | 15.05                         |
| British Columbia | 1,266,000                         | 21,386,571                              | 16.88                         |

PRICES TO CONSUMERS OF REPRESENTATIVE TYPES OF SPIRITS  
IN MANITOBA LIQUOR STORES

(Changes since 1928)

| Year Price<br>List No.                  | 1928<br>14 | 1932<br>18 | 1932<br>19 | 1935<br>21 | 1939<br>25A | 1941<br>27 | 1942<br>29 | 1943<br>30 | 1946<br>32 | 1949<br>35 | 1950<br>37 | 1954<br>41 |
|-----------------------------------------|------------|------------|------------|------------|-------------|------------|------------|------------|------------|------------|------------|------------|
| High priced Whisky<br>(Canadian) 25 oz. | 3.65       | 3.85       | 3.65       | 3.00       | 3.40        | 3.60       | 4.00       | 4.50       | 4.50       | 4.50       | 4.80       | 4.80       |
| Low priced Whisky<br>(Canadian) 25 oz.  | 2.80       | 3.00       | 2.80       | 2.15       | 2.55        | 2.70       | 3.15       | 3.65       | 3.65       | 3.65       | 4.00       | 4.00       |
| Premium Scotch Whisky<br>26 oz.         | 5.50       | 5.70       | 5.00       | 4.15       | 4.65        | 5.10       | 5.60       | 6.20       | 6.20       | 6.00       | 6.20       | 6.10       |
| Standard Scotch Whisky<br>26 oz.        | 4.40       | 4.85       | 4.20       | 3.25       | 3.75        | 4.20       | 4.70       | 5.30       | 5.30       | 5.20       | 5.35       | 5.25       |
| Dry Gin Imported<br>26 oz.              | 3.60       | 4.10       | 3.50       | 2.40       | 2.90        | 3.50       | 4.00       | 4.60       | 4.60       | 4.50       | 4.30       | 4.50       |
| Dry Gin (Canadian)<br>25 oz.            | 3.00       | 3.10       | 2.85       | 2.00       | 2.40        | 2.55       | 3.00       | 3.50       | 3.50       | 3.50       | 3.80       | 3.80       |

Source: Manitoba Government Liquor Control Commission.

TABLE XIII-6

**PRESENT PRICES PAID FOR BEER IN MANITOBA****(Carton prices include refundable bottle allowance of 30 cents per dozen)****1. Government Liquor Control Commission pays:**

|                           |                    |         |
|---------------------------|--------------------|---------|
| to brewers                | $\frac{1}{4}$ kegs | \$ 8.91 |
|                           | $\frac{1}{2}$ kegs | 16.93   |
| cartons of 2 doz. bottles |                    | 4.10    |
| 1 doz. bottles            |                    | 2.14    |

**2. Licensees pay:**

to Government Liquor Commission:

|                           |                    |       |
|---------------------------|--------------------|-------|
|                           | $\frac{1}{4}$ kegs | 10.03 |
|                           | $\frac{1}{2}$ kegs | 19.11 |
| cartons of 2 doz. bottles |                    | 4.42  |
| 1 doz. bottles            |                    | 2.36  |

**3. Consumer pays:**

to Licensees (beer parlors or clubs)

|                                  |     |
|----------------------------------|-----|
| $6\frac{1}{2}$ oz. glass draught | .10 |
| 1 bottle                         | .26 |

to Hotel Beer Vendors:

|                            |      |
|----------------------------|------|
| cartons of 2 doz. bottles  | 5.00 |
| 1 doz. bottles             | 2.70 |
| $\frac{1}{2}$ doz. bottles | 1.50 |

to Government Liquor Stores:

|                            |      |
|----------------------------|------|
| cartons of 2 doz. bottles  | 4.50 |
| 1 doz. bottles             | 2.40 |
| $\frac{1}{2}$ doz. bottles | 1.40 |

to Brewery Cash &amp; Carry Stores: (Winnipeg only)

|                            |      |
|----------------------------|------|
| cartons of 2 doz. bottles  | 4.50 |
| 1 doz. bottles             | 2.40 |
| $\frac{1}{2}$ doz. bottles | 1.40 |

to Breweries Delivered to Permittees Homes:

(Winnipeg and Brandon only)

|                           |      |
|---------------------------|------|
| cartons of 2 doz. bottles | 4.50 |
| 1 doz. bottles            | 2.40 |

**4. Banquet Permittees pay:**

to Government Liquor Commission

|                           |                    |       |
|---------------------------|--------------------|-------|
|                           | $\frac{1}{4}$ kegs | 12.00 |
|                           | $\frac{1}{2}$ kegs | 21.00 |
| cartons of 2 doz. bottles |                    | 5.00  |

Note: For prices of Eastern Beer add 5c per bottle (\$1.20 per 2 doz. carton) to above prices paid for Manitoba beer by Licensees or Consumers.

Source: Government Liquor Control Commission

(D) Liquor Revenue on the Basis of Absolute Alcohol Consumed is Lower in Manitoba than in Saskatchewan or Alberta.

| Government Revenue per<br>Gallon of Absolute<br>Alcohol (1954) | Manitoba | Saskatchewan | Alberta |
|----------------------------------------------------------------|----------|--------------|---------|
|                                                                | \$11.04  | \$14.64      | \$13.56 |

**17. Why the Liquor Revenue is Lower than in some Other Provinces.**

Why are the Manitoba liquor profits lower than others? Why does British Columbia make over 21 million dollars a year while Manitoba makes about 8½ million dollars? Why does Alberta make 14½ million dollars a year compared to Manitoba's 8½ million? Why does Saskatchewan make 11 million dollars a year compared with ours of 8½? Why do the prices paid to brewers in Manitoba need to be higher than those in any other Province in Canada?

It will be apparent at once that several factors—some important, some less important—have a bearing on these differences. Some of these are:

- (i) the smaller population of Manitoba;
- (ii) the relatively fewer liquor "outlets" in Manitoba;
- (iii) the relatively fewer "users" than in some other Provinces;
- (iv) the possibility that each user in Manitoba consumes less on the average, than in certain other Provinces;
- (v) the slightly lower average prices charged for beer by the Manitoba Liquor Control Commission;
- (vi) the higher prices paid to brewers for beer by the Manitoba Liquor Control Commission than is paid in Eastern Provinces.

**18. Manitoba has fewer Liquor Outlets per Unit of Population.**

Table XIII-7 indicates that Manitoba has a smaller number of outlets in relation to population than any other Western Province. By some this is regarded as a virtue, but by many users it is often a cause for criticism.

TABLE XIII-7

**NUMBER OF LIQUOR OUTLETS IN FOUR WESTERN PROVINCES  
PER 100,000 OF POPULATION, 1955**

| Type of Outlet                            | Manitoba | Saskatchewan | Alberta | B.C. |
|-------------------------------------------|----------|--------------|---------|------|
| Government Liquor Store                   | 2        | 9            | 6       | 8    |
| Private licenced beer vendor              | 32       | 56           | 40      | 38   |
|                                           | —        | —            | —       | —    |
| Total outlets for off-premise sale        | 34       | 65           | 46      | 46   |
| Taverns, parlors, etc.                    | 32       | 57           | 41      | —    |
| Clubs, messes. canteens                   | 18       | 4            | 11      | —    |
| Total outlets for off-premise consumption | 50       | 61           | 52      | 73   |

Source: Computed from data supplied by Provincial Liquor Boards.



**19.** Some Prices Charged the Liquor Commission are Lower than in Other Provinces.

It will be noticed from Table XIII-1 that most spirits are sold in Manitoba at slightly lower prices than in other Western Provinces. From Table XIII-8 it will be seen that bottled beer is sold in Government Stores at considerably less than in other Western Provinces.

**20.** Prices Paid to Brewers are Higher in Western Provinces than in the Eastern Provinces.

A reference to Table XIII-2 will show that Manitoba pays a higher price to brewers for draught beer than they receive in any Eastern Province, and also a somewhat higher price for bottled beer than they receive in Ontario or Quebec.

**21.** Significance of Higher Prices Paid to Brewers.

The great significance of these higher prices paid by the Commission for beer will be appreciated more fully when certain basic facts relating to the Liquor Industry became apparent and better understood. Among the latter are:

- (a) the increasing extent of the business;
- (b) the relationship of liquor revenue to provincial revenue; and
- (c) the relative extent to which the brewers share in the earnings of the beer trade.

**22.** Liquor Profits an Important Item in Provincial Revenue.

The net profits earned by the Government Liquor Control Commission constitute an important fraction of the total revenue of the Government of Manitoba (See Table XIII-9). The \$8.6 million earned in the fiscal year ending March 31, 1953, represented approximately 15% of the total Provincial revenues for the year. Revenue derived from liquor sales was correspondingly important in all other Canadian Provinces, with the proportion of liquor revenue to total revenue ranging from 9% in Newfoundland to 20% in Nova Scotia.

**23.** Comparison of Liquor Sales and Liquor Revenues with Certain Other Provinces.

In Table XIII-10 will be found the volume of sales of the different alcoholic beverages as compared with revenue from Liquor Control operations in all Provinces for the year 1954. An examination of this Table will show that Manitoba earned less on liquor operations than did any other Western Province (less even than Nova Scotia with a much smaller population).

**PRICES PAID BY CONSUMERS FOR BEER**  
**PROVINCES OF CANADA, 1955**

|                                                                    | P.E.I.              | N.S.                | N.B.                | Que.                                 | Ont.             | Man.             | Sask. <sup>6</sup> | Alta.            | B.C.                |
|--------------------------------------------------------------------|---------------------|---------------------|---------------------|--------------------------------------|------------------|------------------|--------------------|------------------|---------------------|
| 1. Carton 2 dozen 12 oz. bottles, excluding allowance for bottles. |                     |                     |                     |                                      |                  |                  |                    |                  |                     |
| (a) From Govt. store                                               | \$5.00 <sup>1</sup> | \$4.88 <sup>1</sup> | \$5.00 <sup>1</sup> | -----                                | \$3.40           | \$3.90           | \$4.95             | 4.30             | \$4.54 <sup>9</sup> |
| (b) Direct from brewery                                            | -----               | -----               | -----               | -----                                | 3.40             | 3.90             | -----              | -----            | -----               |
| (c) From licensed vendor                                           | -----               | -----               | -----               | \$3.75                               | -----            | 4.40             | 5.45               | 6.20             | 6.44 <sup>9</sup>   |
| 2. Single 12 oz. bottle, on premise consumption                    | Not so sold         | .30                 | Not so sold         | .25                                  | .26              | .26              | .28                | .28              | .29 <sup>9</sup>    |
| 3. Single glass, on premise consumption                            | -----               | .11 <sup>2</sup>    | -----               | .10 <sup>3</sup><br>.12 <sup>5</sup> | .10 <sup>4</sup> | .10 <sup>5</sup> | .10 <sup>7</sup>   | .10 <sup>8</sup> | .10 <sup>10</sup>   |

1. Empty bottles are sold to bottle collectors; it is assumed that permittees receive an average of 20 cents per dozen from the collectors.

2. 8 oz. glass containing not less than 6½ ounces of beer.

3. 8.2 oz. glass.

4. 8 oz. glass.

5. 7½ oz. glass, containing minimum of 6½ oz. of beer.

6. Saskatchewan prices include 3% Education and Hospitalization Tax.

7. 7½ oz. glass, containing minimum of 6½ oz. of beer.

8. 7½ oz. glass, containing minimum of 6 oz. of beer.

9. Includes 5% Social Service Tax.

10. 7½ oz. glass, minimum specified by the Liquor Control Board.

TABLE XIII-9

**PROVINCIAL REVENUE FROM LIQUOR IN RELATION  
TO TOTAL PROVINCIAL REVENUE  
(All Provinces, 1953) (1)**

|                      | <b>Total Provincial<br/>Government Revenue<br/>from all sources<br/>(dollars)</b> | <b>Total Revenue<br/>from Liquor<br/>Operations<br/>(dollars)</b> | <b>Liquor Revenue<br/>as % of Total<br/>Revenue<br/>%</b> |
|----------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------|
| Newfoundland         | \$31.7 millions                                                                   | \$2.8 millions                                                    | 9%                                                        |
| Prince Edward Island | 7.3                                                                               | 1.2                                                               | 16                                                        |
| Nova Scotia          | 46.6                                                                              | 9.5                                                               | 20                                                        |
| New Brunswick        | 46.6                                                                              | 6.4                                                               | 14                                                        |
| Quebec               | 284.7                                                                             | 35.5                                                              | 12                                                        |
| Ontario              | 364.5                                                                             | 47.7                                                              | 13                                                        |
| Manitoba (2)         | 55.4                                                                              | 8.6                                                               | 15                                                        |
| Saskatchewan         | 91.1                                                                              | 11.1                                                              | 12                                                        |
| Alberta              | 144.5                                                                             | 15.2                                                              | 11                                                        |
| British Columbia     | 185.4                                                                             | 20.9                                                              | 11                                                        |

Source: Dominion Bureau of Statistics. Percentage column based on the other two.

(1) The 1954 total Provincial Government revenues are awaited but are not yet available.

(2) While D.B.S. gives \$55.4 millions as total provincial revenue for Manitoba for the year ending March 31, 1953, the Public Accounts of Manitoba give the figure \$53.4 millions. The former figure is used in the table above in order to ensure uniformity in comparison with the other provinces.

TABLE XIII-10

**VOLUME OF SALES OF LIQUOR (SPIRITS, WINE AND BEER)  
COMPARED WITH TOTAL REVENUE FROM LIQUOR)  
(All Provinces Year Ending March, 1954)**

|                      | <b>Spirits<br/>(gallons)</b> | <b>Wines<br/>(gallons)</b> | <b>Beer<br/>(gallons)</b> | <b>Revenue from<br/>Liquor Control<br/>(dollars)</b> |
|----------------------|------------------------------|----------------------------|---------------------------|------------------------------------------------------|
| Newfoundland         | 157,000                      | 45,000                     | 2,146,000                 | \$ 3,115,000                                         |
| Prince Edward Island |                              |                            |                           | 1,183,000                                            |
| Nova Scotia          | 453,000                      | 275,000                    | 4,622,000                 | 9,816,000                                            |
| New Brunswick        |                              |                            |                           | 6,490,000                                            |
| Quebec               | 2,412,000                    | 1,480,000                  | 62,034,000                | 35,710,000                                           |
| Ontario              | 4,212,000                    | 2,043,000                  | 83,604,000                | 47,036,000                                           |
| Manitoba             | 554,000                      | 265,000                    | 10,044,000                | 8,720,000                                            |
| Saskatchewan         | 514,000                      | 313,000                    | 9,926,000                 | 11,408,000                                           |
| Alberta              | 833,000                      | 312,000                    | 14,309,000                | 15,643,000                                           |
| British Columbia     | 1,548,000                    | 428,000                    | 14,168,000                | 21,387,000                                           |

Gallons for Prince Edward Island and New Brunswick not reported.

Source: Control and Sale of Alcoholic Beverages 1954. Dominion Bureau of Statistics.

(i) Comparison with Saskatchewan.

Manitoba sold 8% more spirits and 1% more beer than did Saskatchewan, but Saskatchewan's net revenue was greater by \$2.7 million, or 31%. (Wine sales were 18% higher in Saskatchewan, but this factor was of slight importance, since wine sales constitute only about 5% of total sales in both Provinces).

(ii) Comparison with Alberta.

Alberta sold 50% more spirits than did Manitoba, 18% more wine, and 43% more beer; but Alberta's net revenue from liquor operations was greater than Manitoba's by 79%.

(iii) Comparison with British Columbia.

British Columbia sold 179% more spirits than did Manitoba, 62% more wine and 41% more beer; its revenue from liquor operations was 145% greater than that of Manitoba. Since sales of Canadian spirits constitute a very large proportion of total spirits sales, the lower price charged for them by the British Columbia authorities substantially affects that Province's gross receipts and net revenue from liquor operations.

(iv) Comparison with Nova Scotia.

Nova Scotia sold 20% less spirits, 4% more wine and less than half as much beer as Manitoba, but it received in 1954 over a million dollars more revenue from liquor sales than Manitoba.

**24. The Beneficiaries of Manitoba's Liquor Trade.** See Chart XII-5.

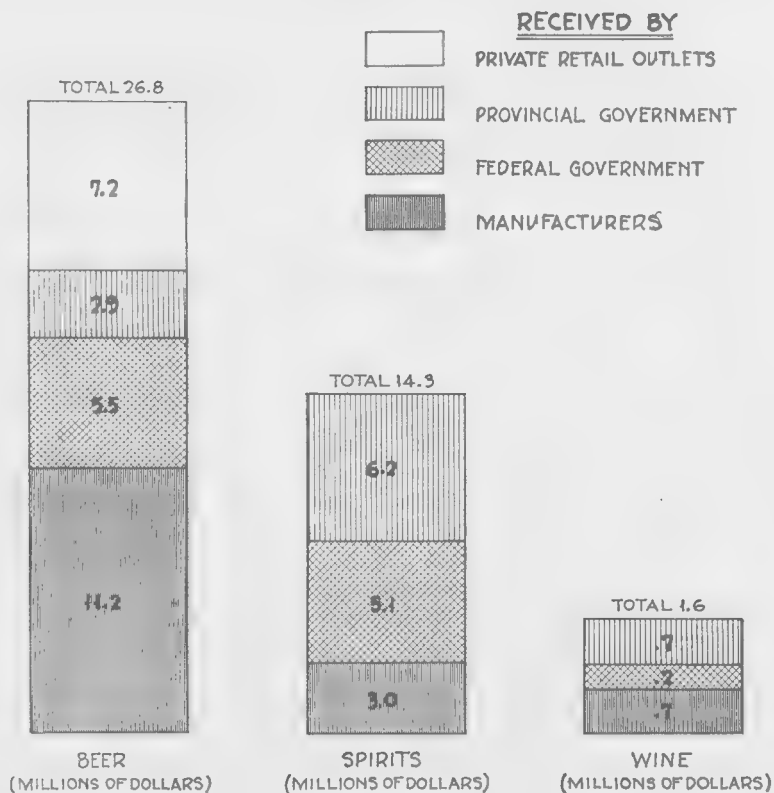
It will be of interest to enquire who got this \$42,700,000 spent for liquor in Manitoba in 1954. The various beneficiaries of the trade were as follows:

|                                                                                  | Millions<br>of Dollars | Percentage<br>of Total |
|----------------------------------------------------------------------------------|------------------------|------------------------|
| (a) Beneficiaries of the Beer Trade—                                             |                        |                        |
| Brewers .....                                                                    | 10.3                   | 39                     |
| Federal Government .....                                                         | 5.5                    | 21                     |
| Manitoba Government (Liquor Control<br>Commission) .....                         | 2.9                    | 11                     |
| Freight and Insurance .....                                                      | .9                     | 3                      |
| Retail Outlets Estimated Gross Profit<br>(Beer Parlors, Canteens and Clubs) .... | 7.2                    | 26                     |
| Total .....                                                                      | \$26.8                 | 100%                   |

|                                                          | Millions<br>of Dollars | Percentage<br>of Total |
|----------------------------------------------------------|------------------------|------------------------|
| (b) Beneficiaries of the Spirits Trade—                  |                        |                        |
| Distillers .....                                         | 2.6                    | 18                     |
| Federal Government .....                                 | 5.1                    | 36                     |
| Manitoba Government (Liquor Control<br>Commission) ..... | 6.2                    | 43                     |
| Freight and Insurance .....                              | .04                    | 3                      |
| Total .....                                              | \$14.3                 | 100%                   |

CHART XIII-5

# FINAL DISTRIBUTION OF MONEY SPENT BY MANITOBA PUBLIC ON LIQUOR 1954



|                                                          | Millions<br>of Dollars | Percentage<br>of Total |
|----------------------------------------------------------|------------------------|------------------------|
| (c) Beneficiaries of the Wine Trade—                     |                        |                        |
| Suppliers .....                                          | .5                     | 33                     |
| Federal Government .....                                 | .2                     | 13                     |
| Manitoba Government (Liquor Control<br>Commission) ..... | .7                     | 43                     |
| Freight and Insurance .....                              | .2                     | 11                     |
| Total .....                                              | \$ 1.6                 | 100%                   |

Source: Based on information supplied by the Manitoba Liquor Control Commission.

## 25. Who Were the Chief Beneficiaries?

It will be noticed from an examination of the figures in these tables—

(a) That distillers received 18% of the total spirit sales, wineries 33% of the total wine sales, and brewers 42% of the total beer sales.

(b) That because the Government stores did most of the package sale business in spirits and wine, the private retail outlets got no part of the spirit profits, no part of the wine profits, but they did get \$7.2 million dollars out of the \$26.8 million dollars spent for beer.

(c) That the Dominion Government got in taxes 36% of the total spirit sales, 13% of the total wine sales and 21% of the total beer sales.

(d) That the Provincial Government received in taxes and mark-up 43% of the total spirit sales, 43% of the total wine sales and 11% of the total beer sales.

It will be noticed also that out of the \$42,700,000 spent in 1954, suppliers got \$13,400,000; the Dominion Government got \$10,800,000; the Manitoba Government (Liquor Control Commission) \$9,600,000 (\$8,600,000 net), and the retailers \$7,200,000.

The figures for suppliers and retailers in the preceding paragraph, it should be understood, are gross returns after the taxes are paid. They are not net profits. From these gross receipts the different beneficiaries have had to pay all their costs (except taxes) and only the balance remaining thereafter is the net profit to each.

## 26. Hotels Constitute the Chief Outlets and the Chief Beneficiaries of the On-Premise Sale of Beer.

There are 279 licensed hotels in Manitoba, of which 269 have beer parlor licenses and 258 have beer vendor licenses.

Of Manitoba's total beer consumption of 10,044,000 gallons in 1954, the licensed hotels sold 6,775,000 gallons or 67%.

Hotel beer parlors, having a practical monopoly for the public sale of beer by the glass, sold 78% of the by-the-glass total. The balance was made up of sales to clubs, military canteens, and banquet permittees. Hotel beer vendors sold 51% of the packaged beer for home consumption.

Gross profits to hotels in 1954 from the sale of beer are estimated to be as follows:

|                          | <b>Total<br/>Beer Sales</b> | <b>Estimated<br/>Gross Profits</b> |
|--------------------------|-----------------------------|------------------------------------|
| Hotel Beer Vendors ..... | \$ 5,100,000                | \$ 686,000                         |
| Hotel Beer Parlors ..... | 13,900,000                  | 5,185,000                          |
|                          | <hr/>                       | <hr/>                              |
|                          | \$19,000,000                | \$5,871,000                        |

Depending largely on their location, the estimated gross profit made on beer sales by individual hotels varied widely. It ranged from less than \$1,000 for the smallest to over \$100,000 for the largest.

## **27. A Summary of the Estimated Gross Profits Earned by All Hotels.**

The term "Gross Profits" should not be misunderstood. It does not mean net profits. We do not know the net profits, but they would perhaps vary from nothing at all to 30 or 40%.

- 65 hotels earned under \$10,000.
- 136 hotels earned between \$10,000-\$25,000.
- 61 hotels earned between \$25,000-\$50,000.
- 17 hotels earned over \$50,000.

## **28. Breweries now Own One-third of Manitoba's Hotels, and have Made Loans to Forty Percent of the Balance.**

The breweries own 89 hotels and have given financial assistance to an additional 106 hotels. Their participation in the hotel beer business in 1954 was as follows:

89 Brewery-owned hotels (one-third of the total) did 46% of the hotel beer business.

106 Hotels under obligations to Breweries did 32% of the hotel beer business.

84 Hotels with no financial obligations to Breweries did 22% of the hotel beer business.

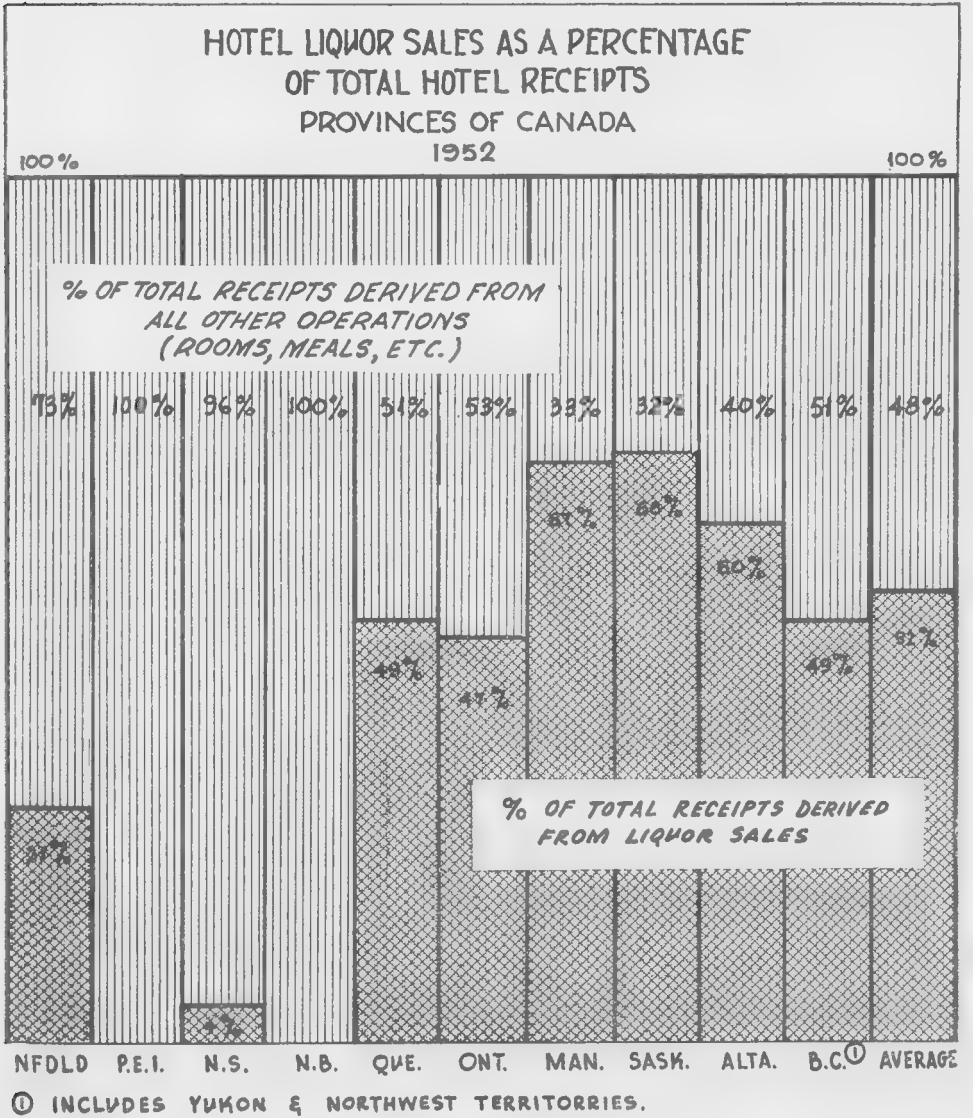
## **29. Beer Parlor Receipts Dominate Hotel Business.**

The importance of beer sales to the hotels in Manitoba is shown in a report issued by the Dominion Bureau of Statistics that beer sales account for 67.2% of total hotel receipts in Manitoba, the balance being receipts from all other sources including rooms and meals. See Chart XIII-6.

As evidence of what has taken place it may be stated that the average number of bedrooms in hotels built prior to 1945 is 18, and the number of beer parlor seats 95, and while the average number of rooms in the hotels built since then remains at 18, the average number of beer parlor seats has increased to 156 per hotel.

The policy of limiting the number of outlets has therefore been offset to some degree by an increase of 60% in the number of beer parlor seats per hotel.

CHART XIII-6





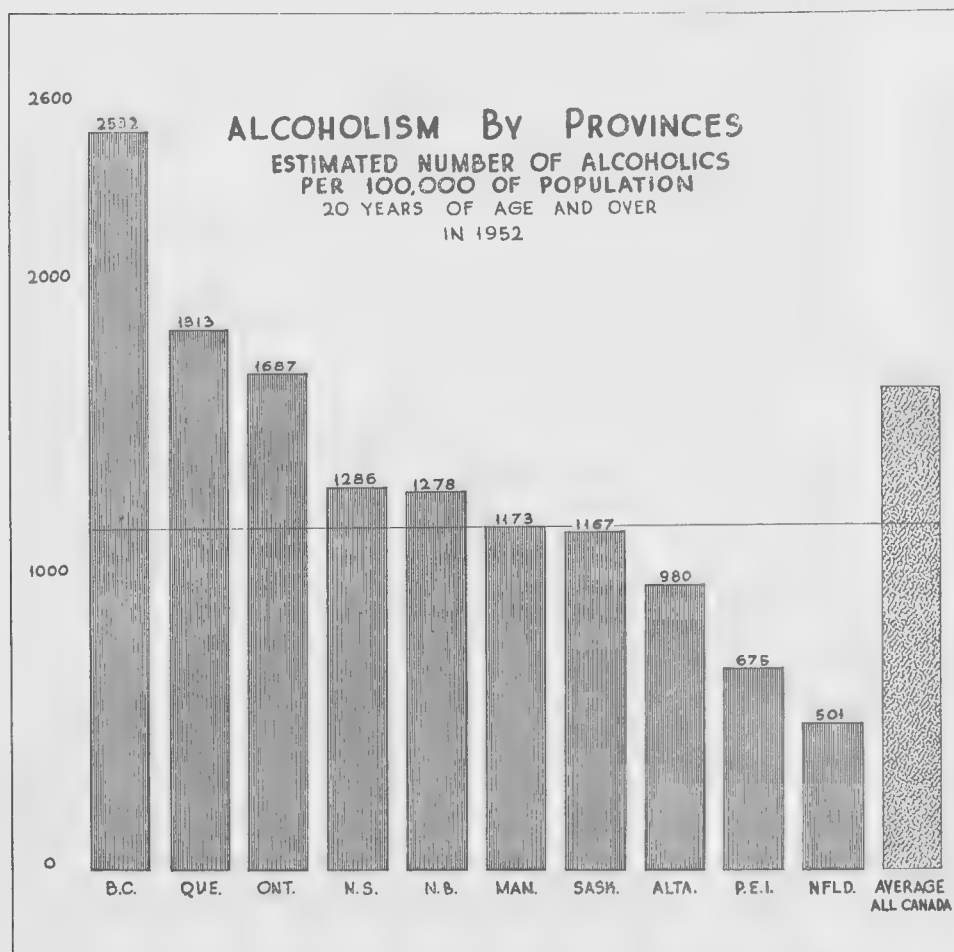
**30. Alcoholism in Manitoba as Compared with Other Provinces. See Chart XIII-7.**

Estimated number of alcoholics by Provinces per 100,000 population 20 years of age and over, in 1952.\*

|                            |       |
|----------------------------|-------|
| British Columbia .....     | 2,532 |
| Quebec .....               | 1,813 |
| Ontario .....              | 1,687 |
| Nova Scotia .....          | 1,286 |
| New Brunswick .....        | 1,278 |
| Manitoba .....             | 1,173 |
| Saskatchewan .....         | 1,167 |
| Alberta .....              | 980   |
| Prince Edward Island ..... | 675   |
| Newfoundland .....         | 501   |
| CANADA .....               | 1,629 |

\*Source: Ontario Alcohol Research Foundation Report.

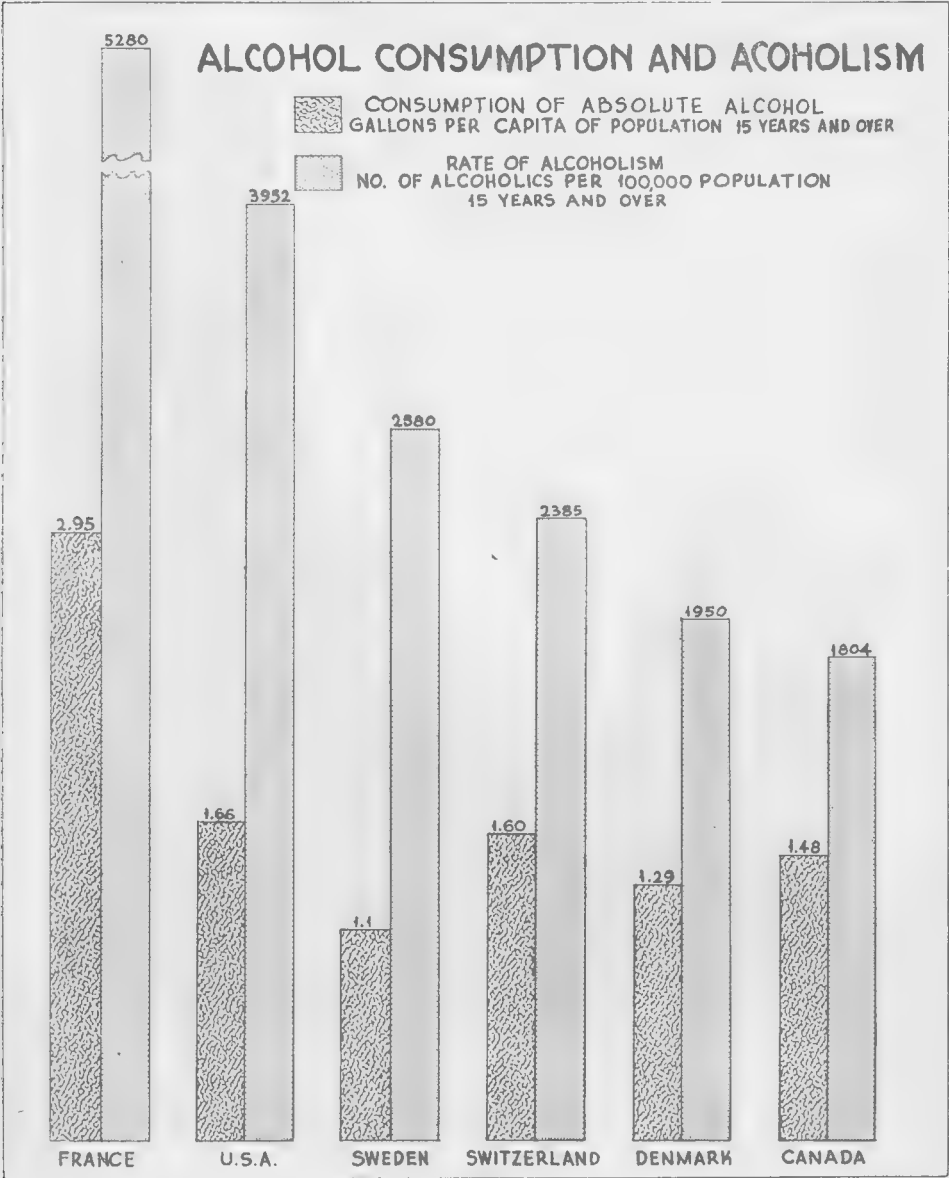
CHART XIII—7



**31. Alcoholism in Canada as Compared with Other Countries.** See Chart XIII-8.

It will be noted that the rate of alcoholism in Manitoba in 1952 was some 27% less than the average for Canada. It may be added that Canada's rate is less than half that of the United States. The comparative figures per 100,000 of population for some different countries are as follows: Canada 1,629, Denmark 1,950, Switzerland 2,385, Sweden 2,580, United States 3,952 and France 5,200. Among those approximating Canada's rate of alcoholism are Australia, Norway and Scotland.

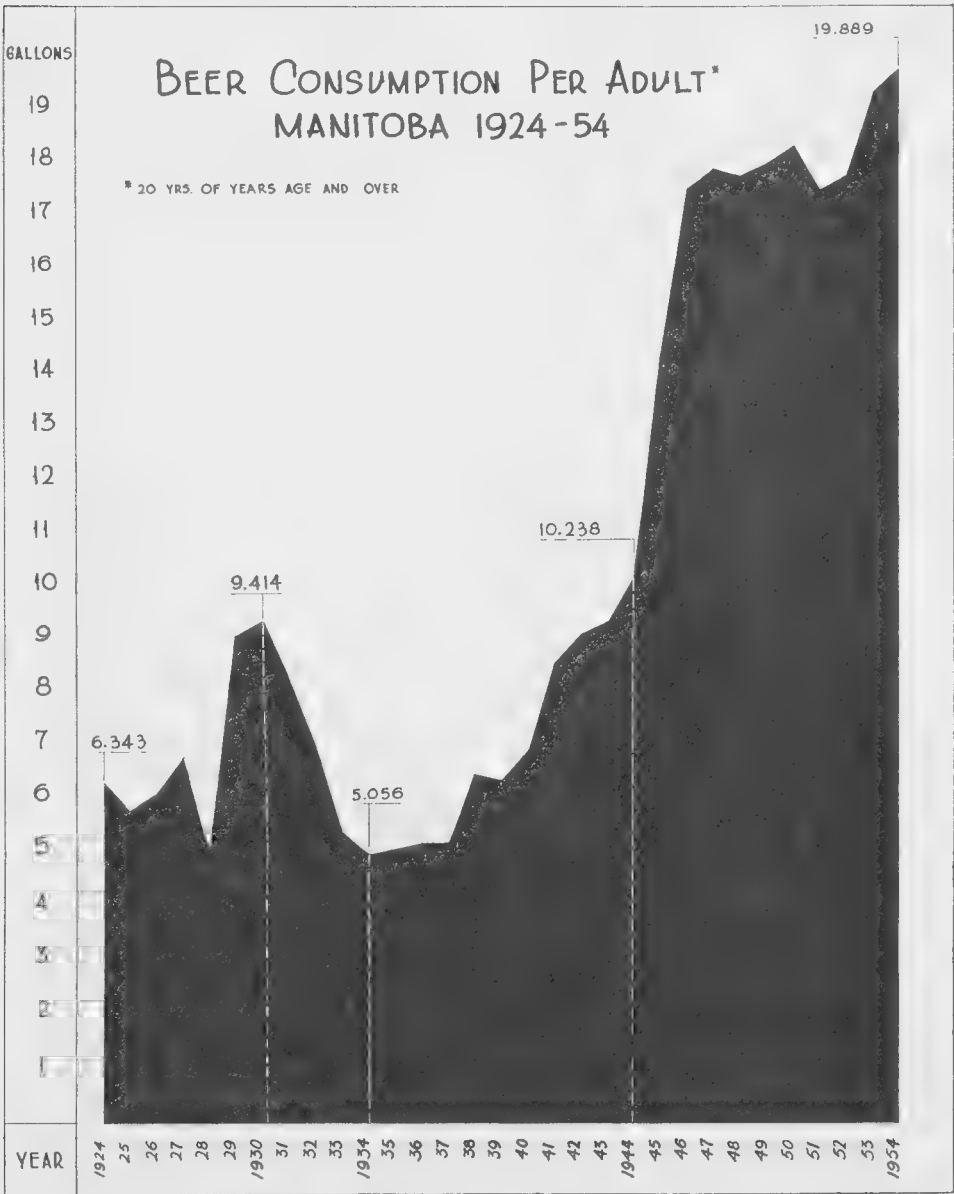
CHART XIII-8



Among those reported to have a lesser rate of alcoholism than Canada are Finland, Ireland, N. Ireland, England, Wales, Uruguay, Netherlands, Italy, Belgium, Brazil, Spain and Argentina.\*

**32** Convictions for Drunkenness in Manitoba as Compared with Other Provinces.

CHART XIII-9



\*Source: Report by Professor E. M. Jellinek, World Health Consultant on Alcoholism.

The convictions for drunkenness in 1952 were 3,272. As compared to other Provinces the convictions for drunkenness per 100,000 population were as follows: \*\*

|                            |         |
|----------------------------|---------|
| Prince Edward Island ..... | 1,018.4 |
| Nova Scotia .....          | 835.7   |
| New Brunswick .....        | 1,245.2 |
| Quebec .....               | 256.4   |
| Ontario .....              | 762.6   |
| Manitoba .....             | 410.0   |
| Saskatchewan .....         | 268.6   |
| Alberta .....              | 530.0   |
| British Columbia .....     | 1,125.1 |
| CANADA .....               | 604.0   |

Source: Statistics of Criminal and other Offences—Dominion Bureau of Statistics.

**33.** Convictions for Offences Against the Liquor Act by Persons 16 years of age and over—Manitoba as Compared with Other Provinces.

In Manitoba there were 2,314 convictions against the Liquor Act in 1952. The convictions for offences against Liquor Acts per 100,000 population in all Provinces were as follows:

|                            |               |
|----------------------------|---------------|
| Prince Edward Island ..... | 275.7         |
| Nova Scotia .....          | 342.4         |
| New Brunswick .....        | 222.8         |
| Quebec .....               | 18.6          |
| Ontario .....              | 315.8         |
| Manitoba .....             | 290.0         |
| Saskatchewan .....         | 300.0         |
| Alberta .....              | 699.2         |
| British Columbia .....     | 115.3         |
| Newfoundland .....         | Not available |
| CANADA .....               | 233.8         |

Source: Statistics of Criminal and other Offences—Dominion Bureau of Statistics.

**34.** Manitoba Law more Restrictive than that of Ontario, Quebec and British Columbia but Somewhat Similar to Several Others.

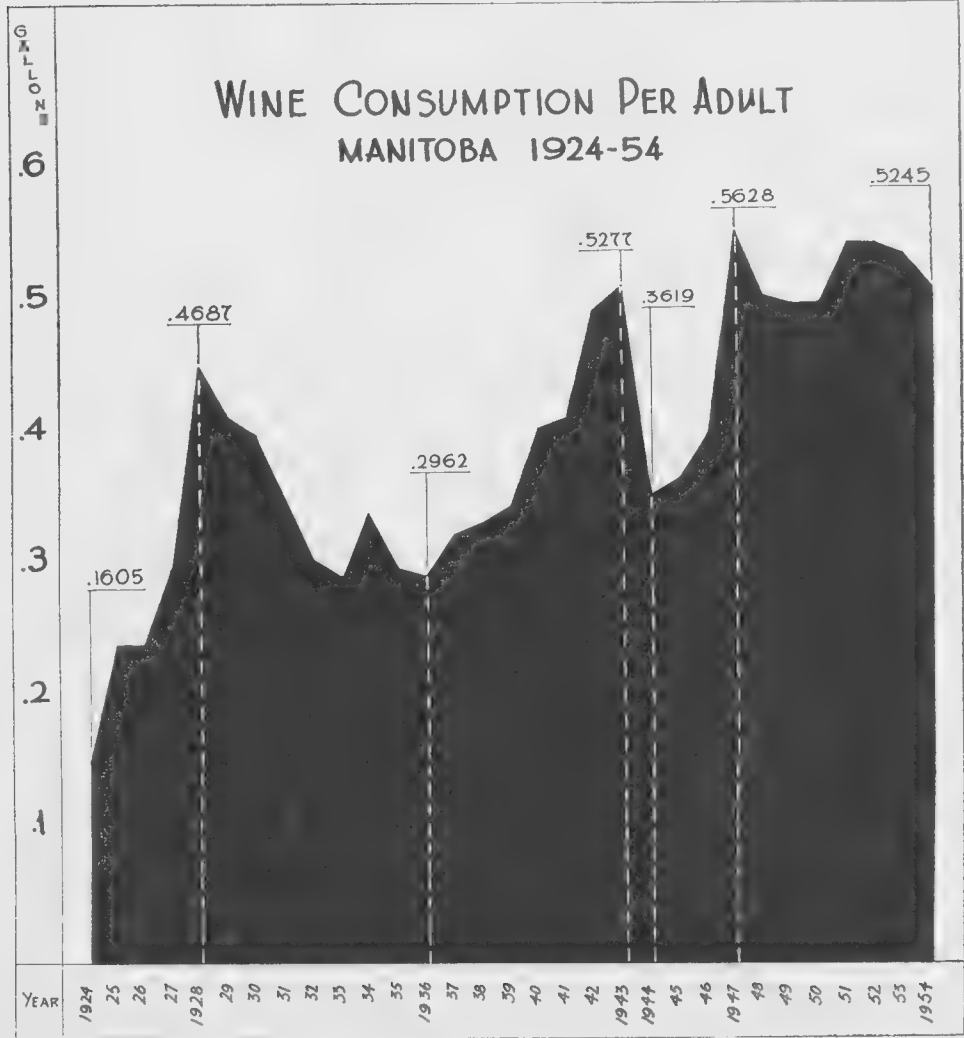
Public opinion in Manitoba is affected to some degree by developments in other Provinces. The recent liberalization of liquor laws in Ontario and British Columbia has no doubt contributed to the feeling by many people in this Province that the laws of Manitoba ought also to be liberalized. While the Manitoba law differs considerably from that of Quebec and the two Provinces mentioned, it differs in only minor respects from that of each of the other Provinces.

\*\*Comparisons hereunder are rather fruitless since there are several factors other than liquor consumption that affect the figures quoted. See Paragraph 13, Chapter 12.

**35. Liquor Law Observance and Liquor Law Enforcement Both at a Low Ebb.**

There is widespread agreement today that while convictions are increasing from year to year the liquor law is being frequently broken and by persons in all walks of life. There appears to be as well a strong opinion that liberalization of the law in some respects would lead to a vast improvement in observance and to a considerable improvement in law enforcement. How far "liberalization" should go toward meeting the wishes of non-observers and how far restrictions should apply in the general interest are matters that have always been, as now, a subject of great controversy.

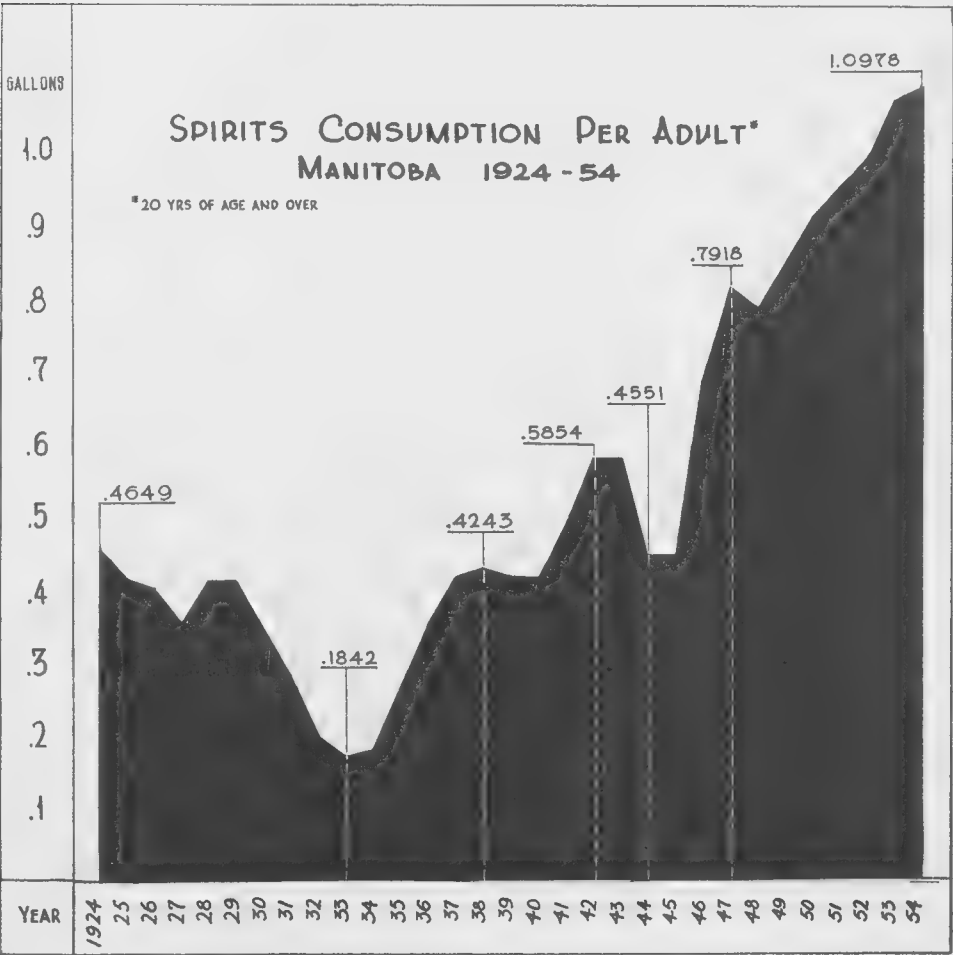
CHART XIII-10



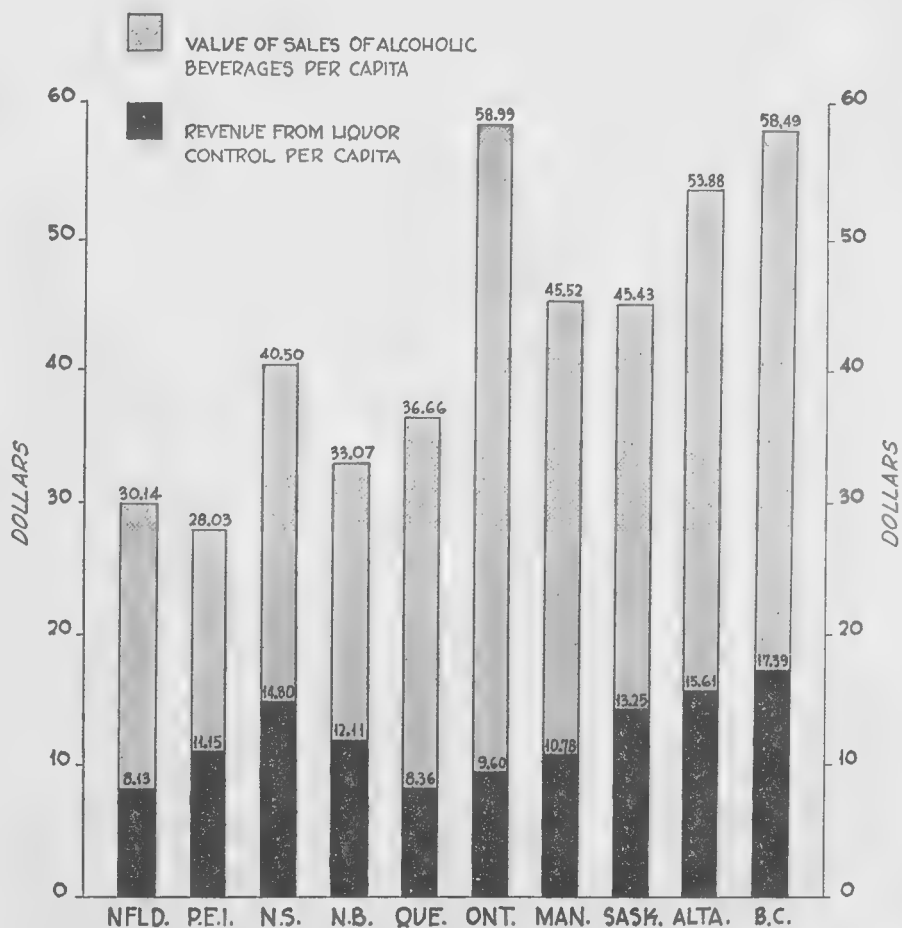
**36. Prosperity and Leisure Time—Major Factors in Consumption and Demand.**

For many people, liquor is a luxury. Consumption as a consequence tends generally to be higher in periods of prosperity, and in periods when people have more leisure on their hands. In view of the prosperous conditions generally prevailing in recent years in most parts of Manitoba, it was to be expected that the consumption of liquor would be high. Also, as a result of the shorter working week now in widespread effect in urban centres, there exists a stronger demand for entertainment facilities of all types to help fill the leisure time. The demand for increased liquor outlets is part of the demand for additional entertainment facilities generally, which demand increases, as has been found elsewhere, with prosperity and more abundant leisure.

CHART XIII-11



# PER CAPITA LIQUOR SALES<sup>①</sup> AND GOVERNMENT REVENUES BY PROVINCES 1953



① Composed of liquor board sales to licensed outlets and consumers, and direct sales by breweries and wineries direct to licensed outlets and consumers, in provinces where such sales are Authorized.

### **37. Liquor Costs—A Heavy Drain on Lower Incomes.**

The average income per adult in Manitoba is reported to be \$1,800. The average cost of liquor to users is estimated to be \$115 per year, although some spend in excess of \$500. How many can afford and how many cannot afford their liquor expenditures no one knows. Obviously there must be many who cannot purchase liquor except at the cost of cutting into wages or income required for essential needs.

**38.** The position of Brewers in relation to the Liquor Control Act will be found discussed in Chapter XXIX.

**39.** Social Costs High but Impossible of Exact Statistical Determination.

What Manitoba pays for liquor is expressed not only in the money cost but in terms of the anti-social consequences of its consumption.

What Manitoba got for its \$42.7 million of expenditure was not only this amount of money distributed among the various beneficiaries mentioned—she got also all the anti-social consequences of the consumption of the 10,800,000 gallons of liquor purchased by this money.

Of the total liquor bill in 1954 the Government got \$8.6 million net in money and it got mild censure for being in the business at all; the Brewers, Distillers and Vintners got \$14.3 million gross and the reputation in some quarters of being in an anti-social business; the chief retailers of beer (in 1952)—hotel licensees—got twice as much from their beer sales as they got from all other hotel business—a gross return of \$18,606,000 for their sales of beer and only \$9,100,000 for all other hotel services including rooms and meals; society got its liquor and a large but unknown bill for the social consequences of the trade; brewers bought half a million bushels of the farmers' barley at a cost of about half a million dollars, they added certain other materials including hops and then sold the product—beer—for \$10.3 million. The farmer got a 5c bonus on top of the feed price of about \$1.00 per bushel for his barley. This eventually was transformed into beer which in beer parlors brought \$45.00 or \$50.00—about one-third less if purchased for home consumption. In the process about two million dollars in materials of all kinds was used. The industry thus turned this value of materials into a product for which the Manitoba public willingly paid over \$26,000,000 to consume.

This having been done, the jails got the drunks; the community got the alcoholics, society more broken homes; welfare agencies got more delinquent children. On the other side, 370,000 users got their refreshment and the euphoria and drug effect of the beer consumed. The average user satisfied his appetite at a cost of 6.9% of his total income.

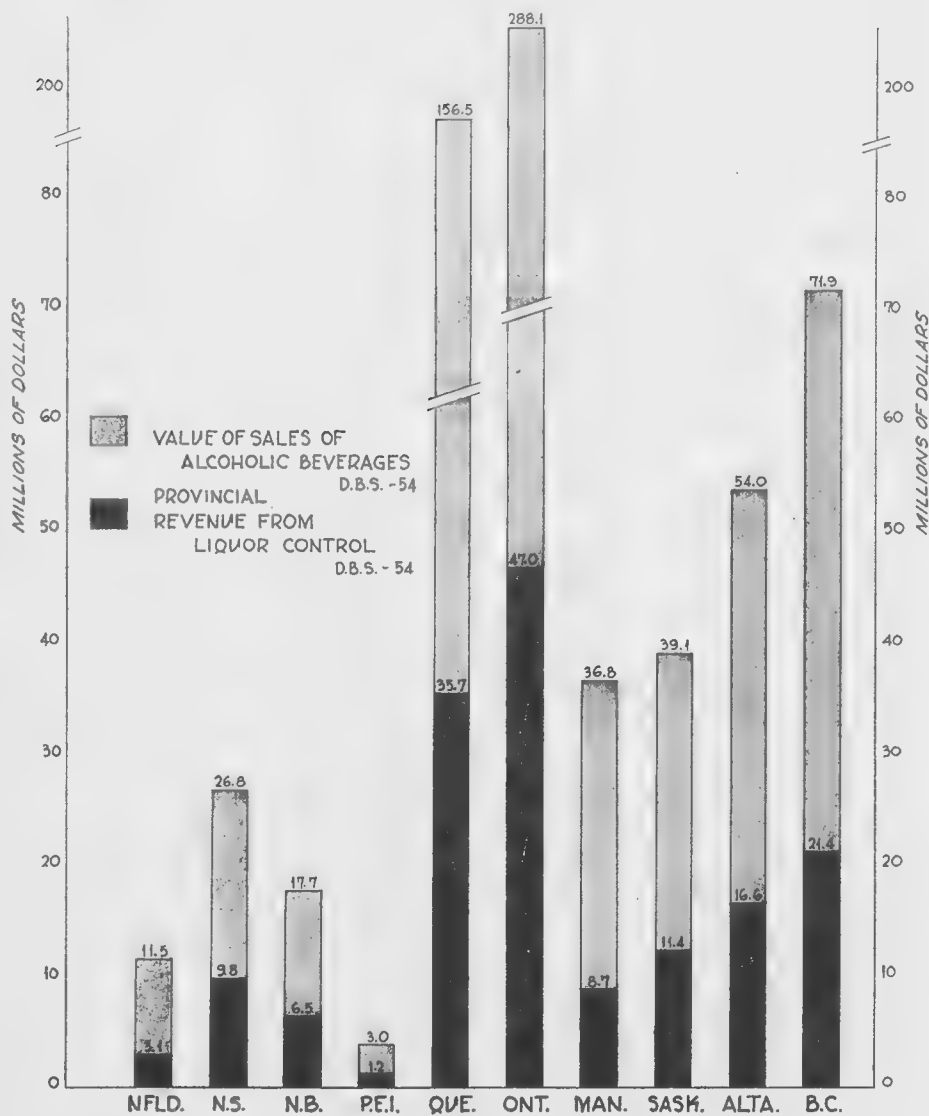


# LIQUOR SALES AND REVENUES

## PROVINCES OF CANADA

YEAR ENDING MARCH 31ST, 1954

MILLIONS OF DOLLARS



\* INCLUDES DIRECT SALES OF BEER BY BREWERIES AND BREWERS' AGENTS

What this all adds up to in social costs nobody knows nor can know exactly. To what degree it is economically unwise remains to be answered. Whether the sale of 500,000 bushels of barley and 200,000 pounds of hops and the employment of some 4,000 workers in Breweries, beer parlors and related businesses justifies the expenditure of \$26.8 million for beer is a question upon which there are wide differences of opinion. (It is \$1.6 million for wine and \$14.2 million for spirits as well.) It is impossible to state with any precision the extent to which alcohol contributes to our medical, social and economic problems. No scientific student permits his name to be attached to any exact figure, although some unscientific ones believe that the social costs are not less than the total Government revenue from liquor. If that wide generalization were accepted in Manitoba's case, it would mean a social cost of \$8.6 million for 1954. Some critics of the liquor trade put the cost at a much higher figure.

## CHAPTER XIV

### PRACTICES AND PRINCIPLES OF LIQUOR CONTROL

The Law and Administration in Nine Canadian Provinces—The Law and Administration in Six American States and The District of Columbia (city of Washington)—Some Basic Principles of a Control System—The Commission's Guiding Principles and Objectives—A Liquor Code for the Control of Alcoholic Beverages in the Public Interest.

It was the privilege of the Enquiry Commission to visit each of the Provinces in Canada except Newfoundland. We were given every facility for understanding their liquor laws, liquor administration organization, and liquor problems. The following pages set out in altogether too brief form some of the more important objectives of the Liquor Control situation in each province. It scarcely needs to be said that we received the most generous cooperation and assistance from every provincial administration.

There are 48 States and the District of Columbia (the city of Washington) in the United States. Seventeen of these states have the so-called "control" or "monopoly" system, twenty-nine have the license system, and two have prohibition. We visited six representative states and the city of Washington and we met several liquor "authority" officials of several other states. The nation as a whole is a remarkable laboratory of liquor administration experience. Our visits were most instructive, the information gained was most useful. The State officials were over-generous in their desire to be helpful. It is regretted that more space is not available to summarize their existing laws and administration.

### THE LAW AND ADMINISTRATION IN NINE PROVINCES

#### NEWFOUNDLAND

With the passage of the Alcoholic Liquors Act in 1924, Newfoundland (population 398,000) departed from prohibition, which had been in effect since 1915. The Act has since had several amendments, the latest of which was in 1953. The Board of Liquor Control administers the Act, which as originally written, was quite similar to the liquor laws in Quebec.

There are a total of six Government Liquor Stores of which four are in the City of St. John's. The Board of Liquor Control also maintains a Mail Order Department to receive orders for shipment by express or coastal vessel throughout the Province, including many hundreds of small settlements located along the coastline. Sales of rum are 65% of the total sales of spirits.

The Board may grant the following types of licenses:

**(a) Hotels**

- (1) to sell beer and wine and spirits or any of them to registered guests;
- (2) to operate a lounge in a part of the hotel to be designated in the license where beer and wine and spirits or any of them may be sold to the public;

**(b) Clubs and military messes** to sell beer and wine and spirits;

**(c) An airport establishment** to sell beer and wine and spirits in a place to be designated in the license to persons who are passengers of the airline only;

**(d) Railway or steamship companies or airlines** to sell beer and wine and spirits to passengers only;

**(e) Restaurants** to sell beer and wine with meals;

**(f) Taverns** to sell beer and wine.

At the present time the following number of licenses are in effect:

|                 |    |
|-----------------|----|
| Hotels          | 17 |
| Clubs           | 56 |
| Military Messes | 19 |
| Airport         | 1  |
| Restaurants     | 10 |
| Taverns         | 70 |

Seventeen of the licensed taverns have been given permission to sell beer by the case for off-premises consumption. In addition, there are 201 registered brewers' agents who carry stock and are permitted to sell beer by the case.

It is interesting to note that draught beer is not sold in the Province of Newfoundland. Beer shipped from mainland breweries is sold at 5 cents per bottle higher than beer manufactured by local breweries in Newfoundland.

Liquor stores are open from 10.00 a.m. to 5.30 p.m. except Fridays when the stores remain open until 6.00 p.m. Taverns and agents with off-sale beer licenses may sell beer from 9.00 a.m. to 6.30 p.m. except Sundays. Hours of sale in all premises licensed for sale by-the-glass are from 9.00 a.m. to 11.00 p.m. week days and on Sundays from noon to 3.00 p.m. and from 5.00 p.m. to 8.00 p.m.

Individual permits are required for the purchase of spirits, wine or beer. There is an individual ration of three bottles of spirits per week and although there is no ration for wine or beer, an endeavor is made in "outport districts" to restrict purchases of beer by the individual permit holder to three cases per week.

Individual liquor permits, at an annual fee of \$1.00, are issued in the form of ration books, in which is recorded the amount purchased and a purchase number, which is duplicated on a gummed sticker which must be attached to

each bottle of spirits sold in Government Liquor Stores. [In this manner a bottle of liquor may be traced through the purchase number to the individual who made the purchase.

A petition signed by  $\frac{1}{3}$  of the electors in any area may call for a vote to be taken to permit or prohibit the sale of alcoholic liquor. A simple majority of the votes cast determines the issue and no new local option vote may be held in that area for another three years.

Private clubs are granted licenses to sell spirits, wine or beer by the glass to members. Each club may set its own regulations regarding the admittance of guests.

Both men and women may be patrons of the taverns, which are permitted to sell both beer and wine. Although taverns are allowed to sell light food, it is reported that very few of them do so in the City of St. John's. Many other taverns throughout the Province have light snacks available, such as sandwiches, potato chips, coffee, tea or cocoa. Tavern licenses are not confined to hotels.

Restaurant licenses allow beer and wine to be served with meals. A meal is defined as being food to the value of 50 cents.

Hotels may serve spirits, wine or beer with meals although some hotels which have cocktail lounge privileges, are not required to serve food.

Some of the clubs located on the outskirts of St. John's, operate in a similar manner to "night clubs" as music and dancing is available, and the membership fees are nominal.

The Alcoholic Liquors Act does not contain any restrictions against "Tied Houses" or the giving of financial assistance to licensed outlets by breweries or liquor suppliers.

There are no restrictions against liquor advertising in the liquor laws of Newfoundland, the only stipulation being that liquor advertisements must carry the following footnote, "not inserted by the Board of Liquor Control".

## NOVA SCOTIA

The Nova Scotia Liquor Control Act came into effect in April, 1930 and provided for the establishment of the Nova Scotia Liquor Commission. All sales in Nova Scotia (Population 673,000) of spirits, wine and beer by the package are made through the 47 Government Liquor Stores. Nine of these stores, located in the Halifax trading area, do approximately 34% of the total business, and another 9 stores in the Sydney-Glace Bay district of Cape Breton Island account for an additional 24% of the sales. The balance of the stores are scattered throughout the Province in all but three counties where local option prevails.

All beer is sold through Government Liquor Stores and there are no brewery retail stores or licensees with off-sale privileges. Licensees are all

supplied from Liquor Stores with the exception of some beer which, for convenience, is delivered direct to licensees from local breweries.

It is of interest that rum accounts for 70% of the total sales of spirits in Nova Scotia liquor stores. Of the total beer sales, 68% to 70% are products of local breweries, 11% or 12% from New Brunswick breweries and 18% to 20% is supplied by five breweries in Quebec and Ontario.

There was no sale by-the-glass in Nova Scotia until 1946 when the Liquor Act was amended to allow the licensing of Taverns, Clubs and Dining Rooms. The Act provides for a Tavern License Committee who may issue the following types of licenses:

(a) An Hotel Dining Room License, which authorizes sales by-the-glass or open bottle of beer and/or wine with meals. A meal must consist of food costing not less than fifty cents.

(b) An Hotel Tavern License, which authorizes sales by-the-glass or open bottle of beer for consumption on the premises in that part of the hotel or annex thereof described in the license.

(c) A Tavern License, which shall authorize the sale by-the-glass or open bottle of beer for consumption on the premises.

(d) A Railway License, authorizes sale by-the-glass or open bottle of beer and/or wine with meals in the dining car attached to a train operated by the holder of the license.

(e) A Club Permit, to allow the sale of beer to club members. Also a permit may be issued to a permanent official of a club allowing spirituous liquor purchased by a member of the club to be consumed on club premises by such member or his guests.

In addition to a nominal license fee of \$25.00 per year, licensees are required to pay a beer gallonage tax ranging from 7 cents per gallon on purchases up to 10,000 gallons per year, to 45 cents per gallon on purchases of over 40,000 gallons per year.

At the present time there are a total of only twelve Dining Room Licenses of which six are in Halifax, and the remainder in five other towns and villages. There are only three Hotel Tavern Licenses, and a total of thirty-five other Tavern Licenses apart from hotels. A total of six railway dining cars are Licensed to sell beer and wine with meals. Club Beer Licenses have been issued to 154 civilian clubs and 92 Veterans' Clubs. The owner of a yacht or vessel may obtain permission from the Liquor Commission to have liquor aboard.

Tavern and Dining Room Licenses may only be issued in a municipality following a plebiscite favoring such licenses. Three years must elapse before another vote may be taken. Local option provisions are in effect, in varying degrees, in only three counties, Windsor, Shelburne and Hants, as a result of plebiscite votes which were opposed to liquor stores or licensed establishments.

Hours of sale in liquor stores are from 10.00 a.m. until 6.00 p.m. except Saturday when stores are closed at 12.30 noon. Tavern hours are from 10.00

a.m. to 11.15 p.m., with supper hour closing in Halifax only, from 6.15 p.m. to 7.15 p.m. Taverns must remain closed on the day of Federal Elections, and on Municipal Election days until 7.15 p.m. Clubs may be open from 10.00 a.m. to 11.30 p.m. and must remain closed from 11.30 p.m. Saturday until 10.00 a.m. the following Monday. Sunday sales are forbidden in Nova Scotia.

Individual resident liquor permits, at an annual fee of 50 cents, are required for the purchase from Government Liquor Stores of spirits, wine or beer. Temporary or Transient Permits, good for thirty days, are issued for 25 cents. In 1954, a total of 92,000 resident permits and 14,000 temporary permits were issued, being approximately 25% of the adult population of Nova Scotia which, according to the registration of voters, stands at about 400,000. Provision is made to allow a permit holder to appoint another person as his agent to make a purchase for him from a Government Liquor Store.

Only the Dining Room and Railway Dining Car Licenses allow for consumption of beer or wine by men and women together as the taverns are licensed for men only and there appears to be little evidence of public sentiment in favor of beer parlors for women.

Only recently, in October, 1954, a regulation was passed allowing taverns to serve light foods. Specifically this regulation allows "the sale of tobacco, salted peanuts, soft drinks by the bottle, cheese wafers, pretzels, pickled eggs and sandwiches which are adequately wrapped".

It is noted that only three hotel tavern licenses have been issued, whereas there are thirty-five taverns not in hotel premises. It was explained by an official of the Liquor Board that the policy of licensing taverns, apart from hotels, was adopted because of the small number of adequate hotels in the towns and villages of Nova Scotia as compared to the number of hotels in some other provinces.

Of the twelve Dining Room Licenses in Nova Scotia, six are in the City of Halifax. The volume of beer and wine business done by these outlets is not large and one major hotel in Halifax does over half of all business of this type.

There are no "Night Clubs" or "Cocktail Bars" as sale of spirits by the glass is not allowed. However, clubs which have permits to do so are allowed to serve spirit drinks from the club members' own supply.

Banquet permits are issued for a fee of \$1.00, but as only 909 such permits were issued in the past year, this practise has not developed to the degree that it has reached in some other provinces.

The police are responsible for liquor law enforcement. One of their problems is "bootlegging" of liquor on week-ends as liquor stores close on Saturday at 12.30 noon. The License inspectors report directly to the Tavern License Committee.

Alcohol education in the schools is the responsibility of the Director of Temperance Education, who reports to the Minister of Education.

"Tied Houses" are not allowed in Nova Scotia as the Licensing Act specifically states that not only must the applicant be the owner or lessee of the premises, but such applicant cannot be under any obligation to sell the beer, wine or liquor of any manufacturer. Any financial assistance from manufacturers to licensees is forbidden.

Sale of beer or any other alcoholic beverage is not allowed in grocery stores as package sales are confined solely to the Government Liquor Stores.

Liquor advertising is not allowed "unless authorized by the Commission." In practice, only service advertisements are allowed, such as notices of hours of sale or return of empties, and no "institutional" or regular liquor advertisements are permitted.

## NEW BRUNSWICK

The New Brunswick Liquor Control Board was established when the Intoxicating Liquor Act was brought into force in September 1927. All sales of spirits, wines and beer in New Brunswick (population 547,000) are made through the 39 Government Liquor Stores which are located throughout the Province. Distribution to the stores is made from three warehouses operated by the Liquor Board, one in Fredericton, one in St. John, and the other in Moncton. There is no legal provision for sale by-the-glass and no licenses are issued for this purpose.

Individual liquor permits are not required, but by regulation the Board may restrict the quantity of liquor which a person may purchase and may limit the frequency at which purchases of liquor may be made.

A person entitled to purchase liquor may appoint another person in writing as his agent to purchase liquor for him. The Act makes it lawful for a purchaser to convey liquor from one residence to another.

The Liquor Board makes no provision for home delivery service, but orders received by mail will be shipped at the purchaser's expense and risk within the Province by express or parcel post.

Hours of sale in the liquor stores are from 9.30 a.m. until 6.00 p.m. with the exception of Saturday afternoon when liquor stores are closed at 1.00 p.m.

As there are no licensed premises for sale by-the-glass there is no provision for local option.

Clubs are not licensed, although permission for sale by-the-glass has been granted to 44 military canteens and messes.

The Act provides for permits for a number of minor requirements such as medical prescriptions, first-aid permit, merchant and pedlars extracts permits. Permits are also issued for mechanical and scientific purposes and to manufacturers who use alcohol.

R.C.M.P. and local police are responsible for enforcement of the Liquor Laws. The chief infraction is reported to be the illegal sale of liquor in clubs which receive some "tolerance" from enforcement officials.



As there are no licensed premises authorized in New Brunswick there is no legislation relating to "Tied Houses".

Liquor advertising of an institutional nature is permitted in newspapers after the Liquor Board's approval, and some sponsorship of radio programmes by liquor suppliers is allowed if approved by the Canadian Broadcasting Corporation and the Liquor Board.

## PRINCE EDWARD ISLAND

Prince Edward Island (population 105,000) was the last province in Canada to leave prohibition, which it did in 1948, when the Prince Edward Island Temperance Act was passed. All retail sales of alcoholic beverages in the Province are made through seven liquor stores operated by the Prince Edward Island Temperance Commission.

No sale is made to any person without a liquor permit. Permit holders are permitted a monthly quota of four bottles of spirits or 16 bottles of wine, or 4 cases of beer. The purchaser may take part of his quota at one purchase or he may buy all of his monthly quota at one time.

Liquor Stores are open from 10.00 a.m. until 5.30 p.m. with half day closing on Wednesday. On Saturday evening they remain open until 9.00 p.m.

There are 16 Canadian Legion Branches which are permitted to sell beer to their members, and 8 military clubs which are allowed to serve spirits and beer. In addition 7 incorporated non-profit organizations are allowed to serve spirits and beer.

There is no sale of liquor in restaurants nor is there any other form of public sale allowed by-the-glass. As there are no such outlets, there is no legislation forbidding "Tied Houses" or financial assistance by liquor suppliers to retailers, and the liquor laws make no provision for local option.

No liquor advertising of any nature is allowed.

As all purchases of spirits, wine and beer in the province may be made only from Government Liquor Stores, the sale of beer in grocery stores is not allowed and there are no brewery retail stores or any other type of off-premises license.

There are no breweries or distilleries located in Prince Edward Island.

## QUEBEC

The liquor law of the Province of Quebec (population 4,388,000) was sanctioned February 25th, 1921, and with the establishment of the Quebec Liquor Commission, it became the first province in Canada to adopt a system of Government liquor monopoly. The Liquor Commission was given authority to establish Government Liquor stores, to control liquor sales by way of permits (licenses are "permits" in Quebec) to regulate establishments to which permits are granted and to administer the provisions of the Liquor Acts. Whereas the Liquor Commission buys and sells all of the spirituous liquor and wines in the

province, it does not handle beer (except for small quantities of specially imported beers sold in liquor stores).

The breweries themselves sell and deliver direct to licensees in Montreal, and outside of Montreal beer is handled by licensed agents representing the breweries.

There are 125 government liquor stores, over 3,000 grocery stores licensed to sell beer and 607 hotels and inns that are allowed to sell beer for consumption off the premises.

Government Liquor store hours are from 10.00 a.m. to 6.00 p.m. with the exception of a number of stores in Montreal and Quebec City which remain open until 10.00 p.m. Grocery stores are permitted to sell beer between 8.00 a.m. and 11.00 p.m. Grocery stores are permitted to deliver beer to consumers but there is no home delivery from Government Liquor stores which operate only on a cash and carry basis. A few stores are designated as "Mail Order Stores" and although the liquor commission pays shipping charges, the consumer pays 30 cents per order to cover the cost of packing. Licenses for spirits, wine and beer are issued to hotels, restaurants, clubs and cafes, and to inns for the sale of beer and wine only.

Hours of sale in taverns are from 8.00 a.m. to 11.00 p.m. All other licensed premises are required to be closed between midnight and 8.00 a.m. except that the closing hour in Quebec City is 1.00 a.m. and in Montreal they may remain open until 2.00 a.m. Sale on Sundays or holidays is forbidden except for the sale of beer and wine with meals between 1.00 p.m. and 9.00 p.m. Legally there can be no sale of hard liquor on Sundays. Taverns and grocery stores cannot sell beer on Sundays.

Provisions for local option are contained in the Quebec Temperance Act. Either a municipal council may pass a by-law prohibiting the sale of alcoholic liquor, or they may submit such a by-law to the municipal electors and in practice such local option questions are always voted upon. A petition signed by thirty or more electors may call for a vote, a simple majority only being required, and no further vote on the liquor question may be taken in that municipality for two years thereafter.

When the Quebec Liquor Commission receive applications for liquor licenses, they are usually supported by recommendations from the local member of the legislature and by both municipal and church authorities. In some cases the Provincial Department of Industry and Commerce is also asked whether they approve of the license but the final authority in issuing licenses rests with the Liquor Commission. Restaurant licenses are issued only in cities of 20,000 or more people. Clubs, hotels and cafes are given full liquor licenses whereas inns are licensed only for beer and wine.

[Women are not permitted to enter taverns and so there is no direct equivalent in Quebec of the "mixed beer parlors" as they are known in Ontario, Alberta and British Columbia. However, there are no such restrictions in any of the other licensed premises in Quebec.

Taverns may serve light foods but in the City of Montreal this practice has not been developed and very few taverns have light foods available. They may also sell tobaccos and soft drinks. Taverns are not necessarily in hotels although many of the larger hotels have a tavern license as well as other regular liquor licenses.

Liquor licenses are issued only to establishments that serve meals, such as hotels, inns, restaurants, cafes and clubs.

Liquor licenses allow the establishment of "cocktail bars" although, in the City of Montreal, no new cocktail bar licenses have been issued recently and an official of the Liquor Board suggested that they would like to see a reduction in the number of cocktail bar licenses in Montreal.

"Entertainment Permits" may be granted to licensees by municipal authorities in centers of under 15,000 population but in those places over 15,000, Entertainment Permits are issued by the Liquor Commission.

The Attorney General is charged with observance of the "Liquor Acts". The "Liquor Police," composed of about sixty-five special policemen in plain clothes, are directly responsible to the Attorney General for Liquor Act enforcement. The Liquor Commission has a staff of license inspectors and any infractions or complaints that they receive are turned over to the Liquor Police.

Although there is no reference to "Tied Houses" contained in the Quebec Liquor Acts, officials of the Liquor Commission advise that no financial assistance or credit between suppliers and licensees is permitted.

Liquor advertising is permitted in Quebec providing there is no mention of price and no drinking or religious scenes are shown. Advertisements showing pictures of women are not allowed. Because liquor advertising is allowed in Quebec, it is known that a number of publications are actually printed in Ontario but use a Quebec publishing address from which they are distributed.

In Quebec, young people may legally buy or consume liquor when they are twenty years old, whereas the minimum age is set at twenty-one in every other province of Canada.

Trains and ships are licensed to sell liquors but on Sundays only beer and wine are permitted. Whereas airlines are not licensed to sell liquor, it is known that overseas flights which travel from Quebec have liquor available for their passengers.

Since September 1954, television has been allowed in licensed premises although not yet on a permanent basis.

## ONTARIO

In Ontario (population 5,046,000) there are two Liquor Boards, The Liquor Control Board which is authorized by the Liquor Control Act, and the Liquor License Board authorized by the Liquor License Act.

The main function of the Liquor Control Board is the purchasing and distribution of liquor, whereas the Liquor License Board is concerned chiefly

with the licensing of various classes of outlets for the sale of liquor by-the-glass, and inspection and supervision over these outlets including the disciplining of those who are guilty of infractions of the Liquor License Act.

There are 192 Government Liquor Stores in Ontario and in addition 49 private retail wine stores operated by Ontario Wineries. Very little beer is sold by Government Liquor stores (only four percent of total beer sales) as most of the beer sold in Ontario is distributed by Brewers' Warehousing Company which operate distribution depots and also 179 Brewers Retail Stores throughout the Province. In addition there are 21 Brewery Cash and Carry Stores which are operated by the individual breweries themselves and which must be situated on their Brewery property.

In nearly all parts of the Province, Brewers Retail Stores also have a home delivery service and in cities where breweries are situated they are also allowed to make direct deliveries to consumers. All Ontario Brewers use the services of the Brewers' Warehousing Company which is operated on a non-profit basis and expenses are paid by the breweries on a pro rata basis depending upon sales. Deliveries of beer to licensees must all be made by Brewers' Warehousing Company and breweries are not allowed to deliver direct to licensees.

In Toronto there is a home delivery service from Government Liquor Stores at 35c per delivery which is paid by the purchaser. These deliveries are handled for the Board by a local delivery firm on a contract basis.

An official of the Liquor Board, commenting on the trend towards home consumption of beer, said that seven years ago only 35% of beer purchased in Ontario was for home consumption compared to sales by-the-glass, whereas now this percentage is almost reversed.

Only about 6% of Liquor Board sales of spirits and wine are made to licensed establishments, and this percentage is down slightly in the last year as the present trend of sales is towards more home consumption.

Individual liquor permits are required for the purchase of spirits only from Government Liquor Stores and not for purchases of wine or beer. The Liquor Board does not keep a tabulation of individual purchases and permits are used only for identification and also to produce revenue. Resident individual permits for which the fee is \$1.00 are good for a full year, whereas non-resident permits for which the charge is also \$1.00 are good only for thirty days.

Liquor stores throughout the Province are open from 10.00 a.m. until 6.00 p.m. although in the larger cities these hours are generally from noon until 8.00 p.m. Brewers Retail Stores follow the same hours as the Government Liquor Stores in their district.

There was no sale of liquor by-the-glass in Ontario until beer parlours were licensed in hotels in 1934. Licensing was under the supervision of the Hotel Department of the Liquor Control Board until 1944 when the Liquor License Board was established. The License Board operated under the Liquor Authority Control Act until the present Liquor License Act became effective on January 1, 1947.

The Liquor License Act provided that after January 1, 1947, Liquor licenses could be issued, but only in the cities of Toronto, Hamilton, London, Ottawa and Windsor (all of the cities of over 50,000 at that time). In other sections of the Province liquor licenses could be issued only if a municipality had voted affirmatively for each type of licensed establishment. Such votes to become effective must have a three-fifths affirmative vote (60%), the ballot listing separately each classification of license.

(a) "dining lounge license" for the sale and consumption of liquor with meals;

(b) "Dining room license" for the sale and consumption of beer and wine with meals;

(c) "lounge license" for the sale and consumption of liquor;

(d) "Public house license" for the sale and consumption of beer in premises to which men only are admitted;

(e) "public house license" for the sale and consumption of beer in premises to which women only or men and women are admitted;

(f) "club license" for the sale and consumption of liquor with or without meals in an establishment classified as a club;

(g) "club license (restricted)" for the sale and consumption of beer and wine with meals and beer without meals in an establishment classified as a club.

In 1954 liquor licenses were granted to the railways for their main line trains, which allow the serving of liquor in dining cars and lounge cars. Licenses may also be granted to ships which operate on regular schedules.

To look after applications for new licenses and for renewals, the Liquor License Board sits annually in the fourteen license districts throughout the Province. Prior to a new application being filed, the proposed applicant must have received "leave to apply" from the Board, which is an effective method of screening out applicants who are obviously unsuitable. Applicants who are granted "leave to apply" are carefully investigated before appearing before the Board, and when a license is given the owner must operate the establishment himself. As additional precaution to discourage speculation in licenses the License Board stipulates that the original license applicant cannot sell the premises for three years. If he sells before this time the license is cancelled and a new application must be made by the new owners. When a license is transferred, the new owner pays the Liquor License Board a transfer fee based on the value of the last year's purchases. License fees increase with volume of beer sales, the range being from 8 cents per gallon to 20 cents per gallon depending on total gallonage for the year, with a minimum fee of \$150.

Licensees who sell spirits pay a license fee of 10 percent of the gross value of their purchases with minimum annual fees ranging from \$25 to \$300 depending on the type of license. All club license fees are somewhat lower than fees paid by other licensees. Veterans and Labour Clubs do not pay gallonage tax on their beer purchases.

"Public house licenses" (beer parlors) are open from 12 noon until 12 midnight each week day except Saturday when closing hour is 11.30 p.m. They are closed during the supper hour from 6.30 p.m. to 8.00 p.m. They are not allowed to sell beer for consumption off the premises, and room service in hotels is not permitted.

"Dining lounge" hours are from 12 Noon to 2.00 a.m. week days and 11.30 p.m., Saturdays. However, since 1949 no "dining lounge licenses" have been issued to allow such establishments to remain open past Midnight. "Lounge License" hours are from 12.00 Noon to 12.00 Midnight (11.30 p.m. Saturdays). "Dining room license" hours are from Noon until 10.30 p.m. and "lounge licenses" from Noon until Midnight.

"Public House licenses" are the only ones required to close during the supper hour, including clubs which have "public house" licenses. During the supper hour closing (6.30 to 8.00 p.m.) there is very little if any movement of patrons from "public house" establishments to the other types of licensed premises which are not closed. However, in places where "Dining lounges" remain open until 2.00 a.m. there is some movement of patrons to these establishments when the "lounges" close at Midnight.

A municipal council or a petition signed by 25 percent of the total number of persons eligible to vote may call for a local option vote on any or all of eight questions regarding the different types of liquor outlets. A 60 percent majority is required to forbid the sale of liquor on any of these questions. No further local option vote may be taken in that municipality for another three years.

Club licenses are granted to clubs generally on the same basis as that provided for the regular types of licenses, that is dining lounge, dining-room, lounge or public house. Clubs are subject to the same regulations, hours of sale and inspection as other licensees.

There is no Sunday sale of liquor allowed in Ontario except in Military Messes. The ban on Sunday sales is strictly enforced in clubs, although it is unofficially reported there has been some difficulty in preventing golf club members from keeping liquor in their private lockers.

The Liquor License Board are very cautious in issuing licenses to clubs which must be incorporated as non profit clubs operated by the members themselves. The Liquor Board very strictly limits the guest privileges of licensed clubs to one guest per member per month. Women are not allowed as guests in licensed Veterans clubs except on special social nights, usually limited to one night per week. "Hard liquor" licenses have not been granted to Veterans clubs, and they have only been licensed to sell beer.

Since 1934 "mixed beer parlors" now called "public houses" have been allowed in Ontario. Most public house licensees have one room for men only and another for women alone or with male escorts. Although not in the regulations some establishments place a limit in allowing only one man or in some cases two men to accompany each woman.

An official of the Liquor License Board advised that since 1953 the service of light foods such as sandwiches, pickles, and potato chips has been permitted in public houses and although this is not mandatory about fifty percent of the public houses now have light foods available. To serve such light foods the licensee is required to first make application to the Liquor License Board. Public houses are allowed to have television or radio.

Prior to 1949 a few separate public house licenses were issued to establishments which were not hotels, but since 1949 no separate public house licenses have been issued to other than *bona fide* hotels in an effort to bring such licenses up to a better standard.

The Liquor License Board has issued a number of public house licenses to a higher class of establishment which they have called a "Preferred Room". There are at present only eighteen of these "Preferred Room" licenses in the Province. They are usually furnished and equipped in a much better manner than usual public houses and are allowed to charge 35 cents per bottle for beer instead of 26 cents as in other public houses. There is no restriction on sex and men or women may enter separately or together. The serving of light food is encouraged, music is allowed, and in fact these preferred rooms have the atmosphere and appearance of the better class lounges, although they are allowed to serve only beer. It was explained that this type of license was more or less experimental to see if it would be possible to raise the standard of public houses and so far they seem to have been well received.

The dining room and dining lounge licenses require that liquor may only be served to patrons who order a meal. However, as the "meal" is not defined in the Liquor License Act this provision leads to some difficulty in interpretation in some establishments and Liquor Inspectors are constantly faced with the problem of seeing that sufficient food is being served.

Lounge licenses are in effect "cocktail bars" and most of them have both bars with stools and cocktail tables. All forms of liquor, wine and beer may be ordered and there is no requirement that food must be available. Since 1949 it has been the policy of the License Board to grant Lounge licenses only to hotels.

Licensees who hold "lounge", "dining lounge" or "dining room licenses" may apply for entertainment permits which allow them to have dancing or entertainment during permitted license hours.

In cities such as Toronto, the competition between licensees had forced many of them to engage very expensive entertainers. In some cases the Liquor Board had to issue temporary suspensions because of smutty or indecent entertainment. This situation seems now to have been corrected and the licensees themselves realize that they cannot allow entertainment expense to force them to operate at a loss and they have recognized the wisdom of cooperating with the Liquor License Board in operating within the meaning of the Act.

Liquor law enforcement in Ontario is the responsibility of (1) Municipal Police, (2) Provincial Police in areas where Municipal Police do not operate,

and (3) the R.C.M.P. in matters involving Federal authority such as illegal distilling. The Provincial Police have a small special liquor squad of four or five men who deal exclusively with Liquor Act enforcement although liquor enforcement is included in the duties of all 1300 members of the Provincial Police. The Provincial Police special liquor squad assist Municipal police when required.

In the City of Toronto, Liquor law enforcement is the responsibility of the City Police Morality Division.

The R.C.M.P. are responsible for the enforcement of the Dominion Excise Act although it is reported that the manufacture or sale of illegally produced "moonshine" liquor is not a serious problem in Ontario.

The Liquor License Board has a staff of 53 inspectors and although they do not have police authority their investigations often lead to prosecution by the police. Their main function is to report on all of the licensed premises in the Province and to see that all licensees have a thorough knowledge of the provisions of the Liquor Acts and to see that these provisions are enforced.

The Liquor License Act provides that agreements may be made with any municipality for the enforcement of the Liquor Acts. To pay for this work the municipalities receive 20 percent of liquor license fees originating in their municipality, including gallonage taxes, and also 60 percent of all fines collected for convictions against the Liquor Acts. The Provincial Police receive a portion of fines collected for Liquor Act offences but do not receive any of the license fees.

Both Police and Liquor Board officials say that they have very little trouble with lounges and dining lounges and that most complaints regarding drunkenness are from public houses where beer only is served. It is reported however that drunkenness due to wine drinking is a problem particularly in the poorer sections of the cities.

The License Board takes disciplinary action if a licensee is guilty of poor supervision, and some licensees in Toronto hire off-duty policemen in uniform for peak periods such as Friday and Saturday evenings.

When banquet permits are issued by the Liquor License Board one copy of the application is mailed to the local police who are continually on guard to see that liquor is not sold for profit at affairs covered by banquet permits. A sit down meal must be provided in order to obtain a banquet permit and the original application must be notarized before being sent to the Liquor Board for approval. There is no specified limit to the number of Banquet Permits that may be obtained in one year by organizations or individuals, however the License Board guards against abuses of this privilege.

The Liquor License Act specifically forbids the issuing or renewal of a Liquor License to any person who is under agreement to sell the liquor of any manufacturer and also forbids any manufacturer to enter into any agreement regarding the sale of its brands through a licensed premises. Any financial connection between licensed outlets and liquor suppliers or brewers is forbidden.



In addition to this provision forbidding "Tied Houses", applications for liquor licenses must disclose the source of any borrowed funds, as the Liquor License Board has found that the interest and bonus on borrowed money is sometimes so high that the man who loans the money virtually becomes the licensee.

Since July 1st, 1954 Indians in Ontario have been allowed to enter licensed premises. However, Indians are still forbidden to make purchases in liquor stores and they are not allowed to have liquor on Indian Reservations.

No liquor advertising is allowed in Ontario without the authority of the Liquor Control Board. Brand advertising is forbidden but approved "institutional" or public service advertisements sponsored by liquor suppliers is allowed to a limited extent in newspapers, magazines and public transit car cards. Outdoor or billboard advertising is forbidden except on the manufacturers own premises.

The Liquor License Board strictly enforce the regulations that no patron of a licensed premises may be served more than one drink at a time, and he must finish that drink or bottle of beer or single glass of draught beer before being served another. Temporary suspensions are given to licensees who violate this ruling, which was adopted to eliminate the practice of "table loading" and to minimize the danger of over-indulgence caused by rounds of "treating".

To avoid crowding, all public rooms in Ontario have a posted capacity limit of persons that may be in attendance, and licensees must not allow more persons in their licensed rooms than the rated capacity.

### **SASKATCHEWAN** **(1954 population 878,000)**

The Saskatchewan Liquor Act was passed in 1925. It allows the establishment of Government Liquor Stores. A plebiscite for beer-by-the-glass was held in 1934, which carried by a substantial majority and the Act was amended in 1935 allowing beer-by-the-glass in hotels for men only. Provision was made for separate beer parlors for women but there has never been an application for a beer parlor for women only.

There are at present fifty-three full scale Government Liquor Stores and twenty-two Government Beer and Wine Stores. The present Liquor Act limits the number of Government Liquor Stores to seventy-five places in the Province, and the trend has been to increase the number of full scale Liquor Stores as the Beer and Wine Stores are closed.

The Board maintains its Head Office and a Central Liquor Warehouse in the City of Regina. All shipments to stores, except beer, are made from the Central Warehouse, and all accounting records are kept in Head Office.

Beer is distributed to the Board's stores and also sold to the licensed premises through Beer Storage Warehouses situated in the eight cities of the

Province. These Beer Storages are maintained by the Saskatchewan Brewers Association but are under the control of an Official of the Board, who checks out all beer shipments.

The present policy of the Liquor Board is to build and own their Liquor Stores. Of the fifty-three Government Liquor Stores, forty are owned by the Liquor Board, six occupy premises in Provincial Government Buildings and only seven are in rented premises. Four new Stores are being built by the Liquor Board this year, and these will replace rented premises.

There are five hundred hotels in the Province that have beer parlor licenses and they also all have beer vendor licenses for off-sale.

Hotel beer parlors and vendors handle Saskatchewan beer only, although some outside brands are carried in Liquor Stores.

There are a total of twenty-nine canteen and veterans club beer licenses in the Province; this includes branches of the Canadian Legion and Army and Navy veterans. There are only five other clubs licensed in the Province, three in Regina, one in Saskatoon and one in Swift Current. The Liquor Act provides for clubs to be licensed only in Cities and no other type of liquor may be kept or sold except Saskatchewan beers.

The licensing of hotels, clubs and canteens is under the jurisdiction of Head Office Official known as the Chief Licensing Inspector. All administrative work is performed by this Official, who is directly responsible to the Chairman of the Board.

Government Liquor Stores are open from 11.00 a.m. until 6.00 p.m., except on municipal weekly half holidays, when the hours are from 11.00 a.m. to 1.00 p.m. or from 10.00 a.m. to 12.00 noon. Beer parlor hours are from 11.00 a.m. to 6.30 p.m., and from 7.30 p.m. until 10.00 p.m. Both the hotel beer parlors and beer vendors are closed during the supper hour. Although there must be no further sale by-the-glass in beer parlors after 10.00 p.m., those patrons who are in the beer parlor at closing time are allowed to purchase beer until 10.30 p.m. for consumption elsewhere than on the licensed premises by the case or in units as small as three bottles. Licensed clubs are not required to close at the supper hour.

Individual liquor permits are not required in Saskatchewan, and the purchaser merely signs an order form.

The Liquor Act restricts quantities that may be purchased in any one day to two gallons of beer (a case of 24 pints), one gallon of wine and one quart of any other liquor. The individual is permitted to purchase double this daily entitlement at one time, either in person or by mail, providing he does not make another purchase on the following day.

There is a C.O.D. telephone delivery service in the Cities of Saskatoon, Regina and Moose Jaw. Delivery is made under contract with private companies who are allowed to charge the purchasers thirty-five cents for delivery of each order.

Banquet permits for a fee of \$2.00 each are issued by the Head Office of the Liquor Board. Some food is required, but not necessarily a full course meal.

When a hotel owner makes application for a beer parlor license, he must advertise such intention in the local papers. If there is opposition, a petition containing 25 percent of the names on the voter's list can cause a vote to be taken. Where licenses are issued without a vote no question can be submitted to the electors for three years and subsequently no votes can be taken within five year periods. Where there is a "dry" majority, no beer parlor or liquor store can be established. There are very few "dry" towns left in Saskatchewan, and although a number of towns have gone from "dry" to "wet", there has been no experience where a town licensed to have a beer parlor or liquor store has gone "dry".

In 1953 the Act was amended to allow soft drinks, tomato juice, tobacco and cigarettes, peanuts, potato chips, pretzels and other snacks to be sold in beer parlors. Sandwiches or other light foods are not allowed.

Enforcement of the Liquor Act is the responsibility of the R.C.M.P. and the R.C.M.P. have a special Liquor Squad of five or six constables in plain clothes. The Liquor Act provides for access to licensed premises by the police and the R.C.M.P. encourage their constables all over the Province to drop into beer parlors just before closing time, and this is reported to have had a very good effect in clearing the beer parlors quickly and in an orderly manner.

There are six Liquor Board Inspectors who call on licensees and who make regular reports to the Liquor Board. The Liquor Board keep a complete file on all licensed hotels and take a strong stand against the transfer of beer parlors at any figure above the actual value of the property. The Liquor Act forbids any financial interest or ownership in licensed hotels by breweries. One Liquor Board Official said that brewery owned hotels were forbidden because they were unfair competition to smaller independent hotel operators, because they set too high a standard for independent hotel operators to follow.

The Liquor Board handles the distribution of all beer and controls the amount of draught beer from any brewery in the Province which is shipped to hotel licensees to fill their orders. All breweries in the Province work on an annual quota basis and a percentage is set for each brewery based on their production capacity.

No liquor advertising is allowed and institution advertisements by liquor or beer suppliers are not permitted. Agents for liquor suppliers are strictly forbidden in Saskatchewan. The Liquor Board does business only with direct representatives of the suppliers and it was suggested by one of the Liquor Board Officials that if an agent were found actively promoting a brand of liquor the penalty would be that that brand would be withdrawn from sale through the Government Liquor Stores.

## ALBERTA (1954 population 1,039,000)

The Alberta Liquor Control Board operates 53 Government Liquor Stores and in addition, retail beer stores in Calgary, Edmonton and Lethbridge and also a few seasonal stores in resort areas. There are 420 hotel licensees and each has an additional license for the package sale of beer for consumption off the premises.

In 1923 a plebiscite was held in Alberta with four questions on the ballot; (a) prohibition, (b) licensed sale of beer, (c) government sale of beer, (d) government sale of liquors. The vote resulted in a majority for question (d) which meant approval by the people of a system of government liquor control. The Alberta Liquor Control Act was passed and was given Royal assent on April 10, 1924. The Act provided for government liquor stores and beer parlors in hotels right from the start.

Individual liquor permits are required in Alberta, and one official said that they are a very useful control as the Liquor Board has the power to cancel permits. Sales may be made to an agent of a purchaser providing a written order from the purchaser is presented along with the purchaser's permit. Recently the Liquor Act was changed reducing the price of permits to 50 cents and also making a provision that if an individual has lost or misplaced his permit or does not have it with him he may buy another for 50 cents and this automatically cancels any previous permits that may have been issued to the same individual during that year.

The **Sale** of alcoholic drinks is not allowed at a function covered by a banquet permit and therefore the cost of all drinks at such an affair must be included in the price of the admission ticket. A total of 12 Banquet Permits may be issued in any one year to an individual or organization. The provisions regarding banquet permits are not included in Liquor Board regulations but the Board's requirements are printed on the banquet permit forms and if the licensee abuses the Board's wishes they will cancel future banquet privileges for that person or organization.

Banquet permits must be approved by the local police unless they are for highly reputable organizations well known to the Liquor Board.

Most Government Liquor Stores are open from 10.00 p.m. to 6.00 p.m., with provision for regular weekly half-holidays. However, the stores in Edmonton, Calgary and Lethbridge remain open until 10.00 p.m. and in Medicine Hat and Drumheller until 8.00 p.m. (consideration is being given to extending the closing hour to midnight for one store in Edmonton and one in Calgary).

Beer parlor hours are from 10.00 a.m. to 6.30 p.m. and 7.30 p.m. to 10.30 p.m. Clubs 11.00 a.m. to 11.00 p.m. By a change in the Act two years ago beer parlors are now required to close from 6.30 p.m. to 7.30 p.m. for a supper hour break.

A 60 percent majority is required to carry a local option vote. This was changed in 1950 from 50 percent because of disputes arising over borderline votes.

A minimum of two years is required between local option votes. The trend of these votes has been from "dry" to "wet". There have been very few votes taken which have been initiated by the "drys" and there have been no cases where a "wet" community has become "dry".

Licenses for the sale of beer in clubs have been allowed since the Liquor Act came into force in 1924. Since 1953 a total of 20 clubs, which must first have a beer license, have been licensed to sell liquor by the glass in addition to beer. These clubs which have been granted full liquor licenses must be of a high standard and must have full dining room facilities.

Golf clubs are given seasonal beer licenses and a few golf clubs also have seasonal liquor licenses. Although the beer parlors are closed during the supper hour from 6.30 p.m. to 7.30 p.m. clubs are not required to close and remain open during this period. Included in the list of clubs that have full liquor licenses are two Canadian Legion Branches which have dining room facilities. Golf clubs are permitted to sell beer on Sundays from noon until 7.00 p.m.

"Mixed" beer parlors have been allowed throughout the province ever since the Liquor Act came into force in 1924. However, during 1926-27 the mixed beer parlors in the cities of Calgary and Edmonton are reported to have become centres of immoral activities and rather than have the Act changed the hotel keepers in Edmonton and Calgary signed agreements with the Liquor Board that they would separate their beer parlors to allow men only and women only in separate rooms. This agreement is still in force although it is not written into the Act or regulations.

At the present time all through the Province there are both men's beer parlors and "mixed" (ladies with escorts) beer parlors, except in the cities of Edmonton and Calgary where mixed drinking is not allowed and the beer parlors for men and for women are in separate rooms. There has been some agitation by the newer hotel keepers within the last three or four years to amend this rule in Edmonton and Calgary but the Liquor Board has had the backing of the Government on this question and the rule forbidding mixed drinking in these two cities has been upheld.

In 1953 the Liquor Board issued instructions to all beer parlors that it is mandatory for them to have sandwiches available. This rule is strictly enforced and fresh wrapped sandwiches must be available except in smaller places where business would not warrant the keeping of made up sandwiches and in these cases a sign must be displayed with the announcement "sandwiches available on request". Beer parlors may also handle soft drinks or tomato juice but these are not mandatory. No thirst producers are allowed such as salted peanuts or potato chips.

In Alberta beer parlors are established only in hotels and all hotels both city and country must have eating facilities unless exempted by special per-

mission. An official of the Liquor Board stated, "there are 420 hotel licenses in the Province and all but 22 have coffee shops".

There is no provision for the sale of alcoholic beverages with meals in Alberta except in the clubs which have hard liquor licenses and these clubs must have full dining room facilities in order to obtain such a license.

From 1924 to 1931 the Liquor Board had their own enforcement branch and one official advised "we were very glad to get ride of it." He said that he felt that since that time the job has been much better done by the R.C.M.P. Although the Liquor Board have a small staff of inspectors who call on all licensed premises, the job of enforcement of the Liquor Act is in the hands of the R.C.M.P. There are special R.C.M.P. Liquor squads in Calgary and Edmonton who do nothing else but enforce the Liquor Act. The Province makes an extra payment to the R.C.M.P. for this service and these squads are at the call of the Liquor Board. The R.C.M.P. have 20 men who work exclusively on Liquor Act violations although enforcement of the liquor laws is the responsibility of all R.C.M.P. personnel in the province.

The Liquor Board has an undertaking from the breweries signed collectively and concurred in by the Board that no financial assistance will be made to any person holding a license issued by the Board without the unanimous consent of all the other breweries and of the Board. The undertaking contains in part "such further advances shall first be submitted in detail to the other Companies and to the Board." In this manner the acquiring of new holdings in licensed hotels by the breweries is being controlled.

Some institutional advertising is permitted but no regular liquor advertising with trade names is allowed. Recently the Liquor Board through its jurisdiction over labelling tried to forbid breweries from selling and advertising ginger ale using their beer trade name, but the brewery interests forestalled this restriction and some breweries still widely advertise their ginger ale brands.

Although licenses have not been issued to railroads in Alberta for the sale of liquor by the glass, there is a provision in the Liquor Act that a person who has lawfully purchased liquor may consume it in a private compartment or bedroom on a train.

The Alberta Liquor Control Act 1953 makes it lawful to make and receive a "bona fide" gift of liquor providing the donor and the one receiving the gift are both legally permitted to have liquor.

The Act also makes legal a gift or the possession of one bottle of liquor purchased outside of Canada, provided that it is stamped or marked in accordance with Canadian customs regulations.

Also a "bona fide" traveller may carry liquor whether or not the seal is broken providing it is carried or transported in the traveller's luggage with his clothing and other necessities of travel.

**BRITISH COLUMBIA**  
**(1954 Population 1,266,000)**

The "Government Liquor Act, 1953" provides for a number of entirely new types of liquor licenses as follows:

(a) "Dining-lounge license" for the sale and consumption on the premises of liquor by the glass with meals;

(b) "Dining-room license" for sale and consumption on the premises of vinous or malt liquor by the glass with meals;

(c) "Lounge License" for the sale and consumption on the premises of liquor by the glass;

(d) "Public-house license" for the sale and consumption on the premises or elsewhere of malt liquor and light refreshment.

As the old licenses for clubs and beer parlors expired they were replaced by new type licenses. By April, 1955, the total number of new licenses which had been issued were: Dining-Lounge, 37; Dining-Room, 131; Lounge, 275, and Public House, 480.

The Liquor Board proceeded very cautiously in the issuing of the new licenses. and adopted an initial policy of issuing Dining-Lounge and Lounge licenses only for first class hotels and clubs which had the necessary qualifications.

Liquor Board officials report that although at the beginning quite a number of applications for dining-lounge licenses were received (spirits, wine and beer) many of them were changed to dining-room licenses (beer and wine only). Very few applications for lounge licenses were received from smaller points in the Province and this type of license has been confined to hotels, clubs and military officers messes.

There are 99 Government liquor stores in British Columbia. Public house licenses provide off-sale privileges for the sale of beer by the carton.

Liquor store hours are from 10 a.m. until 6 p.m. throughout the Province with the exception that two stores in Victoria, and one each in Prince Rupert and New Westminster remain open until 11 p.m., and three down-town stores in Vancouver remain open until 2 a.m.

Hours of sale during which liquor may be sold in licensed premises are set out by regulation as follows:

(a) Being a dining-lounge, dining-room, or lounge, not operated by a club during the hours from 9.30 a.m. to 11.30 p.m.;

(b) Being a dining-room, dining-lounge, or lounge operated by club, during the hours from 10.30 a.m. to 12.30 a.m. subject to regulation 14;

(c) Being a public house, during the hours from 10.30 a.m. to 6.30 p.m. and from 7.30 p.m. to 11.30 p.m.

Sale of any alcoholic beverages on Sundays is forbidden.

It will be noted that the hours in public houses provide for supper hour closing from 6.30 to 7.30 p.m. Further regulation provides for extension of hours for a dining lounge or dining room license where entertainment or facilities for dancing are provided to a closing hour of 1 a.m., with special provision on New Year's Eve for an extension until 3 a.m.

The Liquor Board has been given power to establish the boundaries of licensing areas and provision is made for local option within such areas. A municipal council or a petition signed by 35 percent of the electors of the polling division within the licensing area may call for a plebiscite with any or all of the following questions on the ballot:

(a) Are you in favor of the sale of beer, ale and stout only under a public-house license for consumption on licensed premises?

(b) Are you in favor of the sale of beer, ale, stout, and wine only under a dining-room license for consumption with meals on licensed premises:

(c) Are you in favor of the sale of liquor under a dining-lounge license for consumption with meals on licensed premises?

(d) Are you in favor of the sale of liquor under a lounge license for consumption on licensed premises?

If 55 percent of the electors vote in the affirmative the Liquor Board may issue licenses of the type indicated in the question in that area. When a licensing area is established the Liquor Board is required to publish in local newspapers within 45 days a notice of the designation of the licensing area and if no local option vote is called they may proceed to deal with applications for licenses within the area.

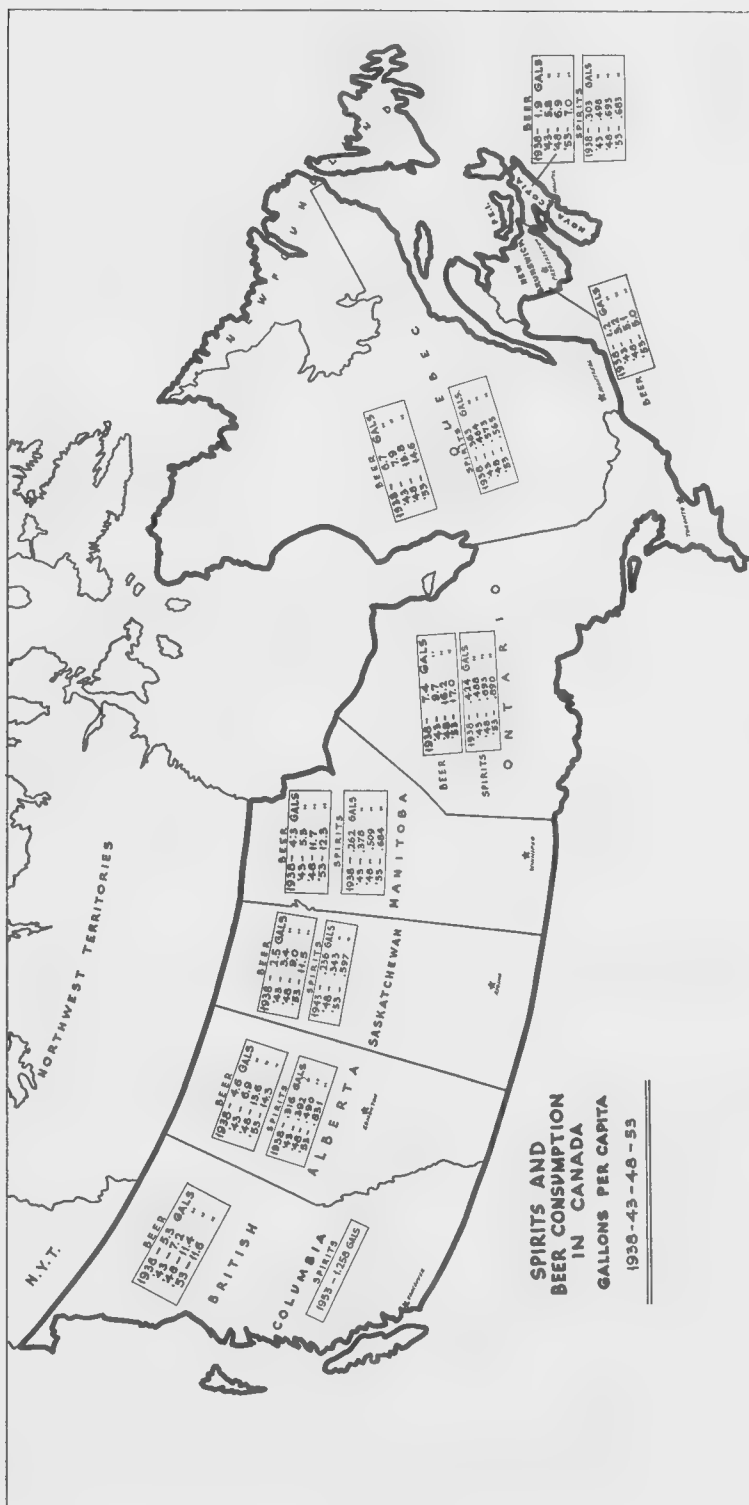
Individual liquor permits are not required. Banquet permits are not now issued for licensed premises; that is, hotels with the new type dining lounge license are allowed to cater to functions without banquet permits.

Where banquet permits are issued they must have the prior approval of the local police although there is no annual limit to the number of banquet permits that may be issued to an organization or individual. The sale of individual drinks is not allowed at affairs covered by banquet permits.

Public house licenses are issued both for men only, and for women either alone or with male escorts. "Mixed drinking" in beer parlors has had an established following in British Columbia for some years and is being continued with the women's public house licenses.

With the new public house licenses soft drinks and fruit juices must be provided and they may also serve wrapped sandwiches. Music, radio and television have been approved for licensed premises by the Liquor Control Board either where controlled by the licensee or his employees, or where it is furnished as a wire service. However, programs tending





to encourage noisy or boisterous conduct on the part of drinkers are not allowed. The ruling does not apply to clubs or dining rooms where there has been no licensing restrictions on wired or live music.

Cigarette vending-machines may be installed in licensed premises but no other vending-machines are permitted.

Restaurants with dining room licenses can serve beer or wine by the glass to patrons seated at tables only, and no such service at lunch counters is allowed. It is required that dining room and dining lounge licenses may serve alcoholic drinks only when the customer orders a meal, but the Act does not contain a specific definition of what constitutes a meal.

Dining lounge licenses have been issued to two cabarets in Vancouver which provide dining, dancing and entertainment. To qualify for a license such places must have been in operation for over two years. Licenses are not issued to straight dance halls and in issuing a dining room license to a restaurant which might also have dancing the Liquor Board places the responsibility on the licensee to see that only beer and wine are served and that no hard liquor is brought in by the patrons.

Liquor Board officials advise that illegal distilling is not a serious problem in British Columbia and also that the late closing hours of liquor stores has helped to control bootlegging.

Responsibility for enforcement of the Liquor Act lies with the police, although the Liquor Board inspectors refer infractions to the police.

Liquor advertising is allowed but must be approved by the Liquor Board.

Under the new Liquor Act railroads and steamships may be issued dining room or lounge licenses, but this does not apply to airlines.

British Columbia has allowed Indians to patronize licensed premises since December 15, 1951, although Indians are still forbidden to purchase liquor or beer from liquor stores or vendors and the Indian Act forbids them to have liquor on Indian Reservations.

## **THE LAW AND ADMINISTRATION IN SIX AMERICAN STATES AND THE DISTRICT OF COLUMBIA (CITY OF WASHINGTON)**

### **NEW YORK STATE**

New York (1953 population 15,257,000) is an "open license" State and the main function of the New York State Liquor Authority is the issuing of licenses both for "off sale" package goods and "on sale" "by the glass". Manufacturers, wholesalers, distributors and retailers are all licensed by the New York State Liquor Authority.

Liquor permits for consumers are not required in New York State.

Package liquor store hours usually are the same as local retail store hours. "By the glass" licensees are allowed to remain open from 8 a.m. to 3 a.m., and in New York City from 8 a.m. to 4 a.m. Local Alcohol Beverage Control Boards throughout the State may adopt earlier closing hours. Some do not allow outlets to remain open past midnight, 1 a.m. or 2 a.m. Licensees are not open on Sundays before 1 p.m.

There are no completely "dry" counties in New York State but there is provision for local option on a city or township basis.

Clubs have full licenses for the sale of all liquor although some clubs are restricted to beer and wine or beer only

There are no restrictions regarding mixed drinking by men and women.

In New York State licenses are not issued for beer alone. There is no prohibition on food with alcoholic drinks, as only places that serve food are licensed.

There is no provision that patrons must buy food to obtain an alcoholic beverage, but food must be available as a provision in the granting of licenses.

"Night Clubs" are licensed in New York providing they operate as restaurants.

Enforcement of the Alcoholic Beverage Control laws is left in the hands of the police, of which there are 30,000 in the State of New York and 21,000 of these are in New York City.

Tied-houses, including any financial connection or sales agreement between liquor retailers and manufacturers, wholesalers or distributors, are completely forbidden in New York State. This includes any arms-length connection such as interlocking directorships or stock ownership and this section of the law is very rigidly enforced in New York State.

Liquor advertisements must comply with Federal regulations but the only New York State Liquor Authority restriction is that window displays of alcoholic beverages must be limited to 270 square inches.

There is no manufacture of liquor by the Government in New York, nor in any State of the United States.

Grocery stores are allowed to sell beer "off sale" and nearly half of the 60,000 licenses issued by the New York State Liquor Authority for all purposes are issued to grocery stores for "off sale".

Trains are licensed to serve liquor in New York State but licenses have not yet been granted to airlines.

In New York State young people may purchase alcoholic beverages when they reach the age of 18 years. This age was adopted in New York State following repeal of prohibition in 1933 and has remained at 18 years ever since.

## VIRGINIA

Virginia (1953 population 3,568,000) is one of the 17 "monopoly" controlled states. The Virginia Alcoholic Beverage Control Board is operated by three commission members who have all been continuously with the Board since Repeal and under their direction have given Virginia one of the best administered liquor control systems in the U.S.A.

There are 134 State Liquor Stores in Virginia. The Virginia A.B.C. Board, 1952, total sales were \$104,893,000 and net profit \$16,679,000. An additional 7½ million dollars was received from beer taxes.

Beer is not sold in state liquor stores but is available in over 6,300 off-sale licensees such as grocery stores and taverns.

Individual permits are not required. The store clerks bring bottles which have been purchased from the shelves in State Liquor Stores and ring up each bottle separately on a cash register which issues a perforated receipt. Half of this receipt is torn off and pasted on the bottle which shows the date, clerk and store number. Any bottle found in Virginia must have this receipt pasted on it showing where the bottle was purchased.

There are a large number of towns where Sunday sales are forbidden, whereas in other towns sales on Sunday are allowed for limited hours.

There is strong minority "dry" sentiment and twenty of their one hundred counties do not permit sale of distilled spirits although this does not apply to 3.2 beer.

There are no restrictions on sex regarding consumption of beer in restaurants or taverns.

On-sale licensees all sell food. Licenses are given to restaurants and snack bars which already sell food and non-alcoholic drinks.

Although licenses may be issued to hotels, by far the majority of them are issued to smaller places apart from hotels.

Most licensees are restaurants or snack bars. There are no licenses to sell hard liquor in Virginia and licensees are confined to either beer only or beer and light wine only.

The sale of distilled spirits by the glass is forbidden in Virginia. Spirits are not sold or permitted in night clubs or cocktail bars. Due to the strict enforcement of the Alcohol Beverage Control laws they have very little trouble with people carrying bottles, and although most of the better restaurants and clubs have licenses for beer and light wine it is reported that they do not allow distilled spirits to be consumed on their premises.

The Alcohol Beverage Control Board have a staff of fifty licensed inspectors and an additional fifty men in their Division of Enforcement. The first group are merely licensed inspectors and they have no police

powers. The second group have full police power and their work is primarily to supplement and aid the local State Police. They also work with Federal men in apprehending illegal "moonshiners".

There has been a recent increase in illegal distilling and the Federal revenue men have been increased from twenty to forty-five men. An average of one hundred stills per month are destroyed in Virginia. Two-thirds of this illegal activity is carried on by individual operators in the hills, but the balance are larger operators and it is possible that they are backed by well financed illegal interests as some of their stills are capable of producing on a commercial scale.

The Alcoholic Beverage Control Act forbids any liquor suppliers such as distillers, breweries, bottlers or wholesalers, or any of their officers or directors, from having any financial interest, direct or indirect, in the business, premises, equipment, furniture, fixtures or property of any establishment for which a retail license has been issued.

Newspapers may carry liquor advertising but no outdoor signs are allowed.

Beer is widely sold in grocery stores and an official of the Liquor Board said "our thinking is that grocery stores are the most suitable place for packaged beer and wine to be sold."

In Virginia a minor is anyone under 21. However, 3.2 beer may be purchased by anyone 18 or over.

### WASHINGTON, D.C.

In the District of Columbia (Washington City, 1953 population 853,000) there are 388 retail liquor stores and 634 licensees for the off-premises sale of beer and wine, including grocery stores. The per capita consumption of distilled spirits is 4.87 gallons per year compared to the National average of 1.34 gallons. This is the highest consumption figure reported by any Alcohol Beverage Control Board but this is in part due to the large number of tourists and visitors who visit the capital city.

Individual liquor permits are not required.

Package store hours are 10 a.m. to 9 p.m. except Saturday when they are allowed to remain open until 12 midnight. By the glass outlets must be closed from 1 a.m. to 8 a.m. Sunday sales are forbidden except beer and light wine from 1 p.m. to midnight. Clubs may serve members or guests on Sundays from the members' own bottles.

Clubs must adhere to the same hours as other licensees. Until recently illegal "bottle clubs" were prevalent and the liquor administration has only recently been able to close them up as the diplomatic and political implications within the Capitol City made it extremely hard to properly

enforce the liquor laws, particularly with regard to these after hours "bottle clubs".

The liquor law does not provide for local option.

There is very little limitation on licenses for 3.2 beer and no restrictions on food being available.

Regarding liquor in restaurants, an official of the Liquor Board explained that the serving of food is required to obtain a liquor license and they have cancelled restaurant liquor licenses if they do not seem to be doing enough food business compared to their liquor business.

Licensed restaurants may obtain special permission from the Liquor Board if they wish to have entertainment and dancing.

The Alcohol Beverage Control Board has ten field inspectors but liquor law enforcement is the responsibility of the police. There are very few liquor law restrictions in the City of Washington except that—

(1) It is unlawful to have an open bottle of liquor in a taxicab or automobile;

(2) it is unlawful to consume or have an open bottle of liquor in a package liquor store.

The City Health Department operates a clinic for alcoholics which is financed by a six percent share of liquor license fees.

Sale of liquor is not permitted on trains until they have left the city.

Young persons 18 years and over may purchase beer or light wine, but must be 21 years of age to purchase spirits.

## PENNSYLVANIA

Pennsylvania (1953 population 10,675,000) is the largest of the "monopoly" states. There are 611 State Liquor Stores and as a general rule the Board restricts these stores to approximately one for each 20,000 population. Total sales for 1953 were \$217,000,000, and the total State revenue from liquor control for that year was \$92,000,000. There are over 20,000 establishments licensed to sell alcoholic beverages by-the-glass and their purchases account for 43% of total liquor store sales.

Beer is not handled in State Liquor Stores, although beer taxes and license fees are collected by the Liquor Board and are included in their revenue.

There are no individual permits in Pennsylvania and there is no restriction on quantities that may be purchased in State Liquor Stores. A 5% discount is allowed on purchases of full case lots. Beer cannot be sold in quantities exceeding four quarts at one time.

The Liquor Act limits hours in State Liquor Stores to not more than 14 hours per day and they must not be open past 11 p.m.

On-sale licenses for sale by-the-glass may be open from 7 a.m. until 2 a.m. Club licensees must not serve liquor between the hours of 3 a.m. and 7 a.m. Sunday sales are not allowed.

A local option vote may be called by a petition of 25% of the highest number of votes cast in the last preceding general election of a political subdivision. A local option vote is decided by a simple majority and such votes may not be taken more often than once in four years. Only 1% of the population live in dry areas and there has not recently been any pronounced trend from wet to dry or from dry to wet .

There are a total of 4,654 club licenses out of a total of over 21,000 by-the-glass licenses. Clubs are treated almost as a second home and there are very few restrictions. However, the Liquor Act clearly states that club licenses will not be issued if it appears "that the operation of such license will inure to the benefit of individual members, officers, agents, or employees of the club, rather than to the benefit of the entire membership of the club."

There are no restrictions regarding mixed drinking by men and women.

Liquor licenses in Pennsylvania are only issued to establishments where food is available.

There are a total of 2,500 hotel licensees out of a total of over 21,000 licensees, as the sale of liquor by-the-glass, and particularly beer, is not confined to hotels. However, hotel licensees must meet certain standards with regard to number of rooms, ranging from 12 rooms in centres of less than 3,000 to a maximum of 50 rooms in centres over 100,000. Each bedroom must have an area of not less than 80 square feet and have an outside window. The hotel dining room must have a kitchen and seating accommodation for at least 30 people.

Restaurants form the largest group of licensees although it is not mandatory for food to be served in order to obtain an alcoholic drink.

An Amusement Park may be granted a license for an establishment at a minimum additional fee of \$25.00 or one-fifth of the annual license fee, which allows dancing, floor shows, theatricals, motion pictures and other forms of entertainment. Licensees are permitted to operate "cocktail bars" although they are not defined in this manner.

Liquor license fees are turned over to local enforcement authorities; this amounted to \$6,000,000 in 1953. Also the Liquor Board has its own bureau of enforcement.

The Liquor Act strictly prohibits any interest by liquor manufacturers, distributors, or agents in any licensed outlets or premises, and tied houses or any interlocking business arrangement between suppliers and licensees is strictly forbidden.

The Liquor Board generally follows the federal advertising codes and there are no specific restrictions imposed by the State.

The State Health Department has set up clinics and has undertaken research projects in connection with the rehabilitation of alcoholics.

Licenses are granted to grocery stores to sell beer by the package for off-premises consumption, limited to purchases not exceeding four quarts at one time.

Public service licenses are granted either for all liquors or for malt beverages only to railroad, pullman or steamship companies operating within the State of Pennsylvania.

Sale of alcoholic beverages is not permitted to persons under 21 years of age. When challenged by a licensee, young persons may be asked to sign a statement that they are over 21 years of age. As all registered electors are issued a registration card, this identification may be used to show that a person is over 21 years of age.

## MINNESOTA

As Minnesota (1953 population 3,052,000) is an "open license" state, the Minnesota Liquor Control Commission does not actually handle liquor, the main function being to control the sale of alcoholic beverages by the issuing of licenses.

All "off sale" or package goods licenses are issued by the State Liquor Commissioner with the prior approval of municipal authorities.

Licenses for "on sale" or by-the-glass consumption are issued by the State Liquor Commissioner for municipalities over 10,000 population, which includes all of the larger towns and cities. Where populations are under 10,000, the municipalities themselves are responsible for the licensing of "on sale" premises. This provision has allowed those municipalities with under 10,000 population to license themselves and 379 municipalities have taken advantage of this opportunity to establish their own municipal liquor stores. (There are an additional 239 municipalities that issue liquor licenses to private interests.) Of this total 301 municipalities have established municipal liquor stores for both "on" and "off" sale and 78 established package stores for "off sale" only.

There are nearly 10,000 establishments licensed to sell 3.2% beer in Minnesota of which 6,539 have combination licenses for both "on" and "off sale", 3,107 for "off sale" only and 325 for "on sale" only.

In addition to the municipal liquor stores and the large number of 3.2 beer licensees, the State Liquor Commission in 1954 issued 1,893 liquor licenses, of which 458 were package stores, 449 were combination licenses for both "on" and "off sale", the balance being 720 "on sale only", and 266 "on sale" club licenses.



No identification cards or individual liquor permits are required in Minnesota. The responsibility lies with the retailer to forbid sales to minors.

Minnesota liquor laws provide that "on sale" licensees cannot sell liquor between 1 a.m. and 8 a.m. No "off-sale" before 8 a.m. or after 10 p.m. (rural)—8 p.m. (city). Municipalities may further limit hours of sale. Sale on Sunday is forbidden except 3.2 beer.

Through the exercise of local option, nine out of 87 counties in Minnesota are "dry". When the Act was established in 1934 there were 28 "dry" outlets.

Non-profit clubs are licensed but there is a strict provision that they must have been in existence for 20 years. There are 266 club licenses.

Beer licensees are not permitted to serve food in municipalities with population under 5,000. No restriction over 5,000.

Liquor licenses are not confined to hotels, and in fact licenses for 3.2 beer are quite freely granted.

In municipalities under 5,000 population, licenses are not granted to restaurants.

Licenses are issued for establishment that serve meals and also those that don't, therefore, "cocktail bars" are allowed. Those with entertainment must charge patrons the additional 10 per cent "night club" tax.

The Liquor Commission has 14 inspectors who check licensees and investigate license applications. They do not have police power. Liquor Law enforcement is the responsibility of the police.

"Tied houses" are forbidden. In 1943 the brewers themselves instigated a strict law freezing all brewery retail holdings on the basis of their ownership in 1943. A Liquor Commission official commented that if there were no Tied House Law the brewers would return to pushing retail sales through controlled outlets. He said that the brewers are the most aggressive section of the alcohol beverage industry and that they are always trying to increase sales and as a result are destroying the small brewers. The anti-tied house law forbids brewery monopoly and there are no places where competitive beer is not obtainable even though the establishments are owned by brewers.

Liquor advertising of a religious or political nature is forbidden. All advertising must be submitted to the Liquor Control Commissioner for approval before publication.

An official of the Liquor Commission said that about 20 to 25 percent of the traffic accidents have a liquor connection. The recognition of blood tests is just starting in Minnesota and has not yet been written into the State law.

Liquor licenses are issued to common carriers, including boats, trains and planes.

Public opinion and state law stand resolutely against the sale of alcoholic beverages to young people under 21 years of age. The seller is obliged to refuse sales to minors, and there are stiff penalties for unlawful sales. Recent statutes have added penalties for minors who buy and consume in public places.

Restrictions on sales to Indians have recently been removed. There are 15,000 Indians in Minnesota and there is said to have been no untoward consequences following removal of these restrictions.

## NORTH DAKOTA

There is no single liquor authority in North Dakota (1950 population 619,600) and the administration is divided between the State Treasurer and the Attorney General. The Attorney General is responsible for enforcement and issues State licenses for hard liquors, whereas the Treasurer collects the State gallonage tax and issues licenses for beer.

North Dakota is an "open license" State. There are at present 1,500 beer licenses and 1,040 liquor licenses. As all liquor licensees also have beer licenses this would mean there are 460 licensees that sell beer only (strength under 4% alcohol by weight). Even the smallest political subdivisions issue licenses and the County Commissioners can also license any remote or unorganized areas.

Since 1945 all licensees must have dual licenses from both the State and local authorities and these licenses may be revoked or suspended by either of them.

By ordinance many municipalities have limited the number of licenses. For example, in Grand Forks, licenses are limited to 11 for liquor and 23 for beer. Unless restricted by local ordinance all licensees have both on and off-sale privileges. Of the total of 1,040 liquor licenses about 50 are off-sale only (package stores).

Beer 4% or over can only be sold by outlets having liquor licenses.

Retail licensees buy all of their supplies from wholesalers licensed within the State. Home delivery by retail licensees is not allowed.

The State tax on hard liquors amounts to \$1½ million per year which is shared half by the State general fund and the other half to the charitable fund which includes the State Mental Hospital and T.B. Clinic.

State License fees are used for liquor law enforcement and local authorities retain the fees from the licenses that they issue. State license fees are \$50 and \$100, whereas local municipal license fees range from \$200 to \$2,000 per year.

There are no individual liquor permits or purchase limits.

There are no restrictions on size of bottles, and all sizes are permissible from miniatures to gallon bottles.

North Dakota law forbids liquor being brought into the State from Canada. A Canadian tourist is not allowed to bring in a bottle, even though legally allowed by U.S. Customs.

Licensees by State law must be closed between 1 a.m. and 8 a.m.; however, local authorities may increase these hours. For example, in the cities of Bismarck and Fargo the hours are 10 a.m. to midnight. Sale of alcoholic beverages including beer is forbidden on Sunday. In 1954 a vote to introduce earlier closing at 11 p.m. was defeated.

North Dakota is one of the few States which has no provision in its State law for local option. There was a vote in 1939 initiated by the "drys" to introduce local option, which was defeated by a vote of 170,000 to 41,000. Although there is some "dry" sentiment in the State there are no "dry" counties. Local authorities, however, can refuse to issue licenses.

Municipal Liquor Stores or bars operated by municipalities themselves have been disallowed in North Dakota. Community Corporations have been formed in some localities which are then given a monopoly license and their profits are used for community projects. This is strictly a matter for the local governing authorities to approve or reject.

Licensees must obtain annual licenses from both the local authority and the State, and either authority may cancel, revoke or suspend the licenses.

Any club or lodge in existence prior to 1936 is eligible to obtain a license. Clubs must observe the same laws as other licensees in their localities. They hold the same beer and hard liquor licenses that are issued to private licensees except that they are not forbidden to serve food. There is nothing in the Divorcement Act (see next paragraph) which allows clubs to serve food but it is generally allowed because clubs are not open to the public. The State license fee for clubs is \$50 and municipal license minimum \$200. Clubs must not sell on Sunday.

The Divorcement Act, which was passed in November, 1946, made it "unlawful to sell, offer for sale, give away, barter or consume alcoholic beverages in any place where there is sold or offered for sale any commodity other than tobacco, tobacco products and soft drinks."

Not even peanuts or potato chips are legally allowed in any licensed premises in North Dakota, and it is the only State in the Union which specifically forbids food in all licensed premises, and therefore sale in restaurants is not allowed.

Licenses are not restricted to hotels and some bars are in hotels and others are not.

There are no restrictions regarding mixed drinking by men and women.

Cocktail bars are required to have four alcohol beverage licenses. For example, "The Flame", in Fargo, said that they paid a \$100 beer license fee to the State and \$100 beer license to the City, also \$2,000 liquor license to the City and \$100 liquor license to the State. These licenses include both "on and off sale".

It is forbidden to license a dance hall to sell alcoholic beverages and there must be no connection between a dance hall and a licensed premises. The State law says that Dance Halls cannot be adjacent to licensed premises unless they have separate outside entrances. There must be a policeman on duty at every dance hall although the law does not clearly state that he must remain on duty throughout the entire dance. These are usually deputy sheriffs and are paid by the dance hall proprietor, who must obtain his dance hall permit from the State. Juveniles are not allowed in dance halls under 18 years of age unless with parents or guardians.

Even though some licensees provide musical entertainment, dancing is not allowed on any licensed premises.

Law enforcement is not the responsibility of the Attorney General's Department. They have liquor inspectors who have police power, including entry without warrant and power to arrest. It is illegal to carry an open bottle in a car. There is no prohibition against drinking in a public place except as covered by local municipal laws. The Divorcement Law, 1946, does not allow drinking in a restaurant as it forbids consumption as well as purchase.

Bootlegging is not a serious problem and they have not had any recent discoveries of illegal distilling.

It is forbidden for a brewery to have any interest in a wholesale or retail licensed establishment. However, it would seem possible, within the law, for breweries to lend some financial assistance, but information given on this point was not clear, and the Federal law may stop the "tied house".

There are no liquor advertising restrictions in North Dakota other than the broad provisions set by Federal Law.

A few years ago a grant of \$50,000 was given by the Government to start an alcoholism recovery program but this grant has been reduced to \$15,000 for the past two years merely to pay the director's salary. Therefore, their alcoholism program is dormant although something is usually said about it at each session of the Legislature.

Beer in grocery stores is not allowed in North Dakota. 1,500 beer licensees in the State can sell beer "on and off sale". Although all beer over 4% is classed the same as hard liquor, nearly all of the beer sold in the State falls below the 4% (by weight) category.

Trains are licensed by State treasurer's office, fee \$200. Trains are not restricted by the Divorcement Act forbidding food. They are not allowed to sell on Sunday.

Persons under 21 years of age are not only forbidden to purchase alcoholic beverages but they are forbidden to enter a licensed premises.

Minors can be challenged and asked for a statement of age and are subject to a fine up to \$100 or 30 days for making a false statement.

## WASHINGTON STATE

Washington (1953 population 2,520,000) is a "monopoly" state in that liquor is purchased and warehoused by the Liquor Board and sold through 70 State Liquor stores. In addition to the State Liquor stores, there are 138 liquor agencies, although they do only 10% of the total packaged goods liquor business. These agency stores are located in districts that would not justify a full scale State liquor store and are operated by persons in private business, usually in conjunction with small retail businesses, such as drug stores.

In 1953 the Liquor Board did a sales volume of \$60,900,000 with total net profits of \$23,000,000.

Beer is handled by private wholesalers, and not by the Liquor Board.

Washington is one of the five states out of 46 which require individual permits. However, there is no limit to purchases and the permit, which costs \$1.00, is merely an identification card showing the age and a brief description of the applicant. Purchasers are asked to sign their orders in the liquor store which are made out for them by the store clerks. No record is kept of individuals' purchases.

Licensees by regulation of the Board are not allowed to sell alcoholic beverage between 1 a.m. and 6 a.m. Most State Liquor stores are open from noon until 8 p.m., although a few close at 7 p.m. and certain stores in metropolitan areas remain open as late as 11.30 p.m. Sunday sales are not allowed, although the Board has made special provision for sale on Sundays in a number of recreational clubs, such as golf, yacht and tennis clubs.

Local option is provided with a simple majority of 50%.

There are 254 clubs licensed to sell hard liquor and 17 clubs licensed for the sale of beer and wine only. Clubs with liquor licenses must qualify for the regular class "H" licenses, which means that they must have full dining room facilities.

Women can be served in all licensed outlets but they must be seated at a table.

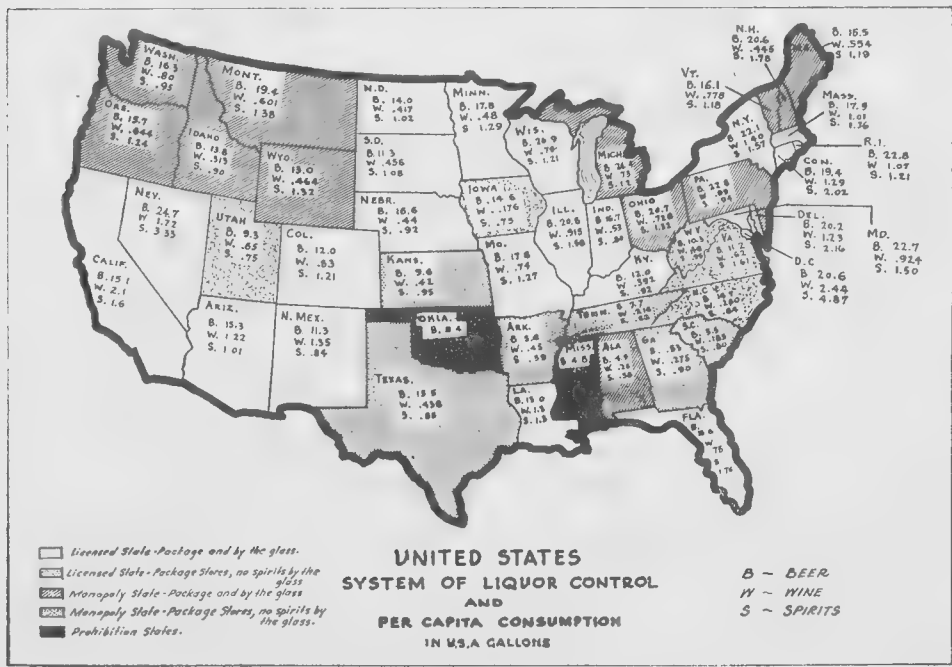
There is no limit to the food that may be served and the Board encourages the sale of food by beer licensees.

Beer licensees are not limited to hotels and are quite generally issued to taverns and restaurants.

Beer and wine have been allowed in restaurants and taverns, since Repeal in 1934, but hard liquor by the glass is confined to first class restaurants and has only been allowed since 1949. Liquor by the glass, known as "H" class licenses, is strictly regulated in that restaurants or hotels, which are the only outlets that can obtain such licenses, must continue to do more than 50% of their business by meals, and if their liquor sales exceed their dining room sales of food their "H" class would be cancelled by the Liquor Board. There are 717 of these licenses in Washington compared to 2,758 licenses for beer and wine only.

"Night clubs" and "cocktail bars" must operate within the classification of the class "H" restaurants license, and their sales of food must exceed their sales of liquor. One way of accomplishing this is that usually not more than 20% of a restaurant's floor space may be occupied by a cocktail bar.

Enforcement of the alcoholic beverage control laws is the joint responsibility of the Liquor Board, and Attorney General's Department and the county and municipal police officers. The Liquor Board exercises its control through 55 license inspectors who report on all new license applications as well as the behaviour of existing licensees. The Liquor Board also has a staff of six inspectors who deal with bootlegging and illegal sale,



although it is reported that there is very little "moonshine" liquor in the State and seizures of stills have not been more than about four per year.

The Liquor Board has appointed a supervisor of Education and Information. However, education in the schools is not the responsibility of the Liquor Board and their emphasis is placed on publication. Their Chief Inspector said that this educational program, which has been carried on for the past three years by the Liquor Board, has been a great help in law enforcement. There is no specific alcohol education course in the schools, but it is generally included in social subjects and speakers from the Washington Temperance Association tour the schools to highlight their program of alcohol education.

Tied houses are forbidden in Washington and this provision even forbids a retailer to hold stock in a brewery.

Liquor advertising is allowed in Washington but such advertising is carefully regulated by the Liquor Board. An official of the Liquor Board said "unless you socialize liquor right down to State control over manufacture then it would seem inconsistent not to allow some advertising."

A special 14-member committee appointed by the Government had just completed a report recommending the establishment of an alcoholism rehabilitation organization.

Beer is widely sold in grocery stores in Washington. The Liquor Board Chairman said: "Our argument in selling beer in grocery stores is that it is better to get it into the homes than to have it drunk in taverns."

Liquor licenses can be obtained by common carriers such as trains, planes and ships.

No sales are allowed to anyone under 21 years of age.

The Federal law making it illegal to sell to Indians who are wards of the U.S. Government was removed a year or so ago, and Washington State has since rescinded its restrictions on the sale of liquor to Indians.

The Liquor Board Chairman commented: "Our Indians are now better behaved than when liquor was forbidden to them."

On the reservations the Indians themselves can decide by local option whether they want liquor or not.

## **SOME BASIC PRINCIPLES OF A CONTROL SYSTEM**

By Clarence H. Patrick, in "Alcohol, Culture, and Society"

There are certain principles and requirements which any plan of liquor control may have to meet in order to be successfully operated in the United States. The following suggestions deserve consideration:

**1.** Some concrete plan should be established for the nation as a whole. The plan should be so designed as to create a balance between the functions

of the federal and state governments, defining the duties of each, and making for mutual adjustment and co-operation. It should give the federal government adequate power to regulate and control those phases of the alcohol problem that concern the population as a whole and those that are of nation-wide significance.

**2.** Adequate provision should be made for the effective control and regulation of individual and group conduct that is of an anti-social nature; but it must respect and protect freedom of individual and group behavior that is not anti-social in nature. Such a plan, if wisely designed, would more likely insure public favor and support, which are most essential for the observance and effective enforcement of any program of liquor control.

**3.** Adequate provision should be made whereby every phase of the liquor control program may be free in the highest possible degree from politics and the spoils system.

**4.** The federal government\* should be vested with the power to regulate the manufacture and transportation of alcoholic beverages within the United States as well as their importation and exportation.

**5.** All excess financial returns over fixed interest (5 or 6 per cent) on the manufacture of an wholesale traffic in alcoholic beverages should accrue to the treasury of the federal government.

**6.** The federal government should prohibit all advertising of alcoholic beverages. This would include advertising by newspapers, magazines, radio, billboards, booklets, leaflets, and any other means.

**7.** The federal government should require a warning label to be placed on every bottle of beverage alcohol stating the nature of such a beverage and the danger involved in its use. In 1941 before a meeting of the American Medical Association in Cleveland, Drs. Merrill Moore, Leo Alexander, and Abraham Myerson made the following statement:

If the Federal Food, Drug and Cosmetic Act is designed to prevent and to protect the American public and its health from the menace of drug intoxication and addiction, then it should apply to alcohol as its first drug of choice instead of neglecting and ignoring it altogether. . . . If one placed in a heap all the wreckage of human lives produced by the habit-formation implied in morphinism, cocaineism, barbiturate addiction, and all the narcotic and hypnotic drugs put together, and if one were to balance against them all the habit-formation of disastrous type subsumed under the term alcoholism the scale would shift immediately and unmistakably toward alcoholism.

**8.** States, counties, and cities should be given the right of local option regarding the kinds of alcoholic beverages (wine, beer, or distilled spirits) that may or may not be sold in their communities. They should also be free to determine the times during which such beverages may or may not be sold.

**9.** Each state in which alcoholic beverages are legalized should take over, as a public monopoly to be handled through its own stores, the dis-

\*Written for United States conditions.



tribution and retail sale of all the heavier alcoholic beverages, none of which should be sold at any place for on-premises consumption. Fosdick and Scott say: "Foreign experience and our own analysis of the problem here and abroad indicate that such a system makes it possible adequately to meet an unstimulated demand within the limits of conditions established solely in the interests of society." The public monopoly system, by taking the private profit motive out of retail traffic in the heavier alcoholic beverages, eliminates one of the main factors working for increase in the consumption of liquor.

**10.** Only the state, subject to the approval of the local government, should be allowed to issue permits to establishments dealing in the retail sale of beverages of low alcoholic content. Such establishments should be under strict regulations and should be frequently inspected.

**11.** A graduated tax should be placed on all alcoholic beverages according to alcoholic content. This means that higher taxes should be placed on beverages of high alcoholic content and a relatively lower tax on beverages of low alcoholic content. Professor Yandell Henderson of Yale University recommends that a low tax be levied on beer, wine and diluted spirits.

**12.** Individuals should be allowed to purchase heavier alcoholic beverages by permit only, and the amount that each is permitted to purchase should be strictly limited.\* Permits should not be issued to minors, to persons unable or unwilling to support themselves and their families, or to persons convicted of offenses involving the use of liquor.

**13.** All dispensing places, both for on-premises and off-premises consumption, should be subject to strict regulations. They should be open public places, well lighted and free from inducements to loafing and carousing.

**14.** All dispensing establishments should be restricted to business districts and forbidden in the vicinity of schools, churches, and factories.

**15.** The public revenue-raising motive should be divorced, as far as possible, from the liquor traffic. To consider liquor control mainly as a source of revenue is to risk government-sponsored encouragement of the production and sale of alcoholic beverages as a profitable business. Such a situation would obviously defeat the purpose and plan of a control system. As a preventive measure, all money received by the federal and state governments from taxes and profits on alcoholic beverages should be placed in a separate fund. After all expenses involved in the control system have been deducted, the money should be used to help in removing the real or imagined need which causes alcoholic beverages to occupy such a prominent place in our culture. To this end the funds should be spent on education and legislation—economic and social as well as medical. The

\*This feature of this policy is now being discontinued in most jurisdictions.

establishment of adequate hospitals or farms for the care and treatment of alcohol addicts and chronic alcoholics should constitute an important phase of such a program.

## THE COMMISSION'S GUIDING PRINCIPLES AND OBJECTIVES

The previous chapters have dealt with statistics, trends, experiences, scientific studies and results of the liquor trade in all its phases, not only in Manitoba, but in Canada and other countries.

The following chapters will deal with this Commission's recommendations on each of the problems outlined to us in the instructions from the Legislature.

It would seem appropriate, therefore, at this point in this chapter to review briefly the principles and objectives which crystallized in our minds from a careful analysis of the contents of the previous chapters and which we felt must constantly be kept in our thoughts as we endeavoured to formulate legislation which would act towards the greatest benefit for our citizens.

For the sake of clarity, these principles and objectives are listed under different classifications, but it should be understood, that they are all closely interrelated.

### Legislation

**1.** The state must provide effective control over the actions of individuals or of groups when such actions are, or may become, anti-social; but the state must respect and protect the freedom of action of individuals or of groups where such action is not contrary to the public welfare.

- (a) Excessive drinking must be discouraged.
- (b) Serving of liquor to minors must be stopped.
- (c) The highways must be made safe for driving.
- (d) The illicit liquor trade must be controlled.

**2.** The state must promulgate laws which will promote temperance in the use of alcoholic beverages as abuse in any form is against the common good.

- (a) The hours of sale must be regulated.
- (b) The number of outlets must be limited.
- (c) Any form of commercial sales promotion must be discouraged.
- (d) Preference must be given to forms of drinking which are less conducive to abuse.

**3.** The state must provide for the adoption and strict enforcement of such laws respecting alcohol as are deemed reasonable and acceptable to a majority of the people and must make it a challenge to all to be law-abiding.

- (a) Petty restrictions that add nothing to the public welfare must be avoided.

(b) The administration of the act must be trusted to none but the most capable and trustworthy Commissioners.

**4.** The state must guarantee fair treatment and justice to all who are now or who may become engaged in the liquor trade, having regard always for the common good.

(a) Trust all beneficiaries of the trade justly; but let no provincial statute make of any of them a favoured section of our economic life.

(b) Recognize hotel proprietors as legitimate business men, but re-frame the law so that it will not tend to make of them mainly purveyors of beer for private gain rather than hotel proprietors for the service of rooms and meals to the travelling public.

(c) Reverse the trend which is now making of many hotels, particularly new hotels, a mere front for their beer parlors.

(d) Remove as far as possible the temptation of a powerful trade to dominate the free choice of the community in its attitude toward the use of liquor.

**5.** The state should, in the application of a liquor control act, respect the wishes of any majority group in a Municipality that decides to restrict or abolish the sales of intoxicating beverages within its boundaries.

(a) The practice of local option should be retained.

## **Education**

**1.** The state must promote by all possible means, a sound and thorough education of all sections of the population on the subject of alcohol and its related problems.

(a) The state must share with the parents, the church and the community, the responsibility of a sound education towards alcohol.

(b) The glamorized advertisements of the trade and the extreme views of propagandists must be opposed by a wide dissemination of the true facts about alcohol.

## **Rehabilitation**

**1.** The state must provide the best possible facilities for the prevention of alcoholism, and must help in the detection and rehabilitation of the unfortunate members of its society who are abusing a commodity distributed by the state.

(a) Financial assistance must be given to develop adequate facilities.

(b) Experience has shown that an independent body is required to direct and co-ordinate these measures.

Finally, it must always be remembered that the state must promote a high social, cultural and moral standard in its people so that in time, the

alcohol problem will be controlled by the well formed conscience of the individual acting within the framework of an enlightened social system.

**A LIQUOR CODE  
FOR  
THE CONTROL OF ALCOHOLIC BEVERAGES  
IN THE PUBLIC INTEREST  
A personal contribution by the Chairman**

(It is not to be implied that these are recommendations of the Commission or that all of them carry the approval of more than a majority of the Commission.)

**The Liquor Law**

**1.** Place upon no political unit, without its approval, any law permitting the legal sale of liquor within its boundaries.

**2.** Require that the State give effective, unprejudiced, and impartial leadership based on facts.

**3.** Grant to all municipalities, full autonomy with respect to the sale of beer and natural wines in public places within their boundaries; and to the larger municipalities, full autonomy with respect to the sale of spirituous liquors within their respective jurisdictions.

**4.** Provide for effective control over the actions of individuals and of groups when such actions are, or are likely to become, anti-social; but respect and protect the freedom of action of both individuals and groups where their action is not contrary to the public welfare.

**5.** Place upon the State the responsibility for the teaching of abstinence to the young and the spread of proven facts to all; but leave with the home, the church and the community, the responsibility for shaping the attitude of individuals on the controversial moral issue as between abstinence and moderation.

**6.** Let the present law be judged by its consequences; put upon the statute books such modifications of it as will correct its inadequacies; let the revised law be a challenge to the people to respect it, not a temptation to make of it either a matter of ridicule for its critics or a get-rich scheme for its beneficiaries.

**7.** Pass no restrictive liquor legislation that does not have a generous measure of public opinion behind it; two-thirds of the adult population now use some liquor and many of these resent the inference that their personal drinking customs require control by law.

**8.** Entrust the administration of the liquor law to none but impartial and trustworthy officials; public confidence cannot otherwise be main-

tained in an important public body partially removed as it is from the direct control of the legislature.

### **Alcoholism**

**9.** Establish a sound plan for the rehabilitation of our 10,000 alcoholics. By education prepare the public for a programme to help rehabilitate these men and women, most of whom through society's ignorance or indifference have been neglected in the past.

**10.** Endeavour by legislation as well as by education to discourage the excessive drinking of 10,000 others. The truth and the law operating together can be made effective checks on the ever increasing army of liquor addicts.

**11.** Take steps to reduce the annual increase of 700 alcoholics each year; make widely known to users the warning signs of the development of alcoholism. Early recognition of its danger signals is one of the best means of preventing this fourth worst public health menace in our midst.

**12.** Help protect the young from habituation; effective education on the value of abstinence for teen-agers should be a required subject in all places of public instruction.

### **The Consumption of Liquor**

**13.** Prevent by all practicable means the excessive use of liquor; society is unanimous about that and can be counted upon to support every acceptable check for its prevention.

**14.** Make temperance in the true sense of the word a popular and accepted creed; encourage those who are not abstainers to give preference to such forms of drinking as are least conducive to habituation, excessive use and misbehaviour.

**15.** Since excessive use is anathema to most people, and abstinence unacceptable to many, make the practice of "moderation" worthy of its meaning. This ancient doctrine with the fascinating and self-promoting name is hard to define and harder still to keep within bounds. Only by a large measure of self-control and a reasonable measure of state control can the ranks of the moderates be prevented from becoming but stepping stones to further addiction.

### **Traffic and Other Accidents**

**16.** Make the roads safer for driving. They were not built for the needless wrecking of human lives and human bodies and human nerves, by the incompetent driving of drinking men.

**17.** Help drivers understand the risks to them of "moderate use"; in that innocent term lies hidden many of the potential dangers of the road.

**18.** Instruct drivers either not to drink at all before driving or, not to drink unwisely. Make it widely known that the "impaired" man at the steering wheel of a car is the real menace on the highway.

**19.** Strengthen the accident prevention programme; invite the co-operation of industry, business and public alike, to share in the prevention of both road and other accidents.

### The Beneficiaries of the Liquor Trade

**20.** Treat all beneficiaries of the trade justly; but let no provincial statute make of any of them a favored section of our economic life.

Competition as a factor in determining prices to breweries has disappeared; and something must be found to take its place. Otherwise brewers will continue to be a favored beneficiary of the present law.

What is to be done? We must make the Liquor Act a **Control Act**, which it is assumed to be, not the **Half-Control Act** which it actually is. Give the Liquor Control Commission power to fix prices to brewers as it now fixes them to other licensees; but make its decisions tentative until they shall have been approved by an impartial board. The Public Utilities Commission type of approach is the modern world's answer to problems of this character (see Chapter XXIX).

But the State, too, is a beneficiary of the liquor trade. Let there be no apology for that. The "Government's share" of liquor profits now amounts to 20% of the total business. But that is not the "Government's" share; it is the peoples' share—a recovery for them of a part of the communities' liquor costs. Let liquor prices be high enough to prevent excessive use (see Webb, Chapter VIII), not high enough to make bootlegging uncontrollable (see Joint Committee Report, Chapter XVIII). Give every section of the liquor trade an adequate return on its investment; but place any surplus above that in the coffers of the State for lessening of taxes and payment of social service and related costs.

**21.** Recognize hotel proprietors as legitimate business men, but re-frame the law so that it will not tend to make of them mainly purveyors of beer for private gain rather than hotel proprietors for the provision of rooms and meals for the travelling public.

**22.** Reverse the trend which is now making of many hotels, particularly the new ones, a mere front for their beer parlors; let future licenses be granted not on a basis that will tempt the operator to stimulate the sale of beer, but rather on a basis that will encourage him to raise the standard of the hotel room and dining room service which he offers the public.

**23.** Seek to reverse the developing trend which is transforming some clubs into glorified beer parlors; today's clubs are not "proprietary" ones in the old sense and most of them are well conducted; but profits from

beer are tempting some to become beer parlors in disguise to the detriment of their original purpose and with potentialities of new difficulties in liquor law administration.

**24.** Remove as far as possible the temptation of a powerful trade to dominate the free choice of the community in its attitude toward the use of liquor. Excessive liquor profits are not necessary to secure the liquor demands of the public; and they place in the hands of the beneficiaries an unequal advantage when controversial issues are being determined.

**25.** Grant no mark-ups to new licensees that will give to them a rate of financial gain in excess of that of other retail businesses. Artificial stimulation of consumption resulting from high profits has no justifiable place in Government Liquor Control Administration.

As far as possible make public drinking outlets incidental to food or other community services, not places where nothing can be done but drink liquor.

**26.** Let the taxing power of the Province be used for liquor control purposes, not primarily for the increase of its liquor profits. Heavy taxation can be either a form of prohibition or a source of Government revenue. When raised beyond a certain point it defeats both purposes by encouraging bootlegging and illicit manufacture.

**27.** See to it that the economy is fair to all but not more generous to the liquor interests, whose profits, prices and markets are under control of the Government, than to private interests whose profits must be earned, prices determined, and markets secured in the severest kind of competition.

### Alcohol Education

**28.** Make known the truth about liquor and thus explode the myths and folk lore and unfounded propaganda on both sides of the liquor problem.

**29.** Search out the facts about beverage alcohol and let the people know; the public wants only the truth, and it should be impartially told.

**30.** Maintain an informed public opinion based on the lessons of experience and the facts of science; a restoration of faith in what is said about liquor is overdue.

**31.** Use the local papers for the information and guidance of the public regarding the nature and effects of alcoholic beverages—and pay them for this constructive use of their columns;—a measure of belated justice for depriving them, in the public interest, of the revenue which they might have derived from liquor advertising.

**32.** Encourage community programmes of total abstinence by voluntary decisions, but recognize the practical limitations of accomplishing abstinence by passing coercive laws.

**33.** Seek the co-operation of the host and hostess in the home; let it become recognized as bad manners to offer no alternative to alcoholic beverages by way of refreshment, and that it is anti-social to urge liquor upon unwilling guests.

**34.** Co-operate with teen-agers in finding acceptable alternatives to drinking; encourage them to fill their hours of leisure and recreation with wholesome objectives. What their customs become today will largely determine the nature and extent of the liquor problem in the days ahead.

**35.** Support both the State and Society in promoting high social, cultural and moral standards among the people; look forward to the time when drinking will be controlled by the soundly formed conscience of each individual acting within the framework of an enlightened social system.

**36.** Lend moral support to the members of the legislature in their efforts to bring about permanent social gains. The paradox of a trade that in many respects is a handicap to society and yet is patronized by nearly two-thirds of the adult population has not yet been resolved anywhere in the world to the satisfaction of all.

**37.** Encourage communities to lead in finding more constructive uses for hours men and women are not at work. Society has made remarkable economic gains in recent years and will make more; but social gains have not kept pace with them. A more constructive use of the time not now required for work is one of today's great challenges to our western civilization.

### **What of the Future?**

**38.** Have faith that an informed society can cope with any task it understands. Alcohol has been a problem child in every generation since man first found fruits and cultivated cereals and other crops. Wide extremes of administration, at different times in every land, have had the unwelcome offspring in their charge; and each has failed in some degree to keep it from running wild.

The modern state has no reasonable choice but to accept control of the inheritance which has fallen to its care. Its first task is to learn the known facts and discover the unknown ones about alcoholic beverages; and its second is to help the people understand what it has learned.

### **What Will Manitoba Do?**

**39.** The majority view of the people on the major issues can scarcely be mistaken, although on many details it is far from clear. After fifty



centuries the world still regards liquor as one of its great controversial issues, and Manitoba's experience of less than one century has not changed the verdict of the past.

While prohibition is now in retreat in Manitoba and moderation the desire of most, yet habituation by the young is the constant fear of many, and the prevention of excessive use, the unanimous wish of all.

The task facing this Province as well as its Enquiry Commission is to try to find the best way that a modern civilized community can move forward in dealing with this age-old problem, not for a year or five years, but preferably for an indefinite future, always reserving its inherent right either to modify the system in whole or in part, or even to discard it altogether, as added experience dictates or the intelligence of an informed people may decide.

**What Manitoba will do will be determined by what the individuals who make up her population think should be done.**

**What Answer will the Manitoba People Give?**

**40.** Will it be based on the facts of science or on morality or on both?

And if the use of alcohol is to remain to tax the minds of man, as now seems probable—

Is the drinking custom to be low alcoholic beverages, with food, in acceptable surroundings, taken slowly and only occasionally, and in moderate amounts, when important tasks are not ahead and when the work of the day is done?

Or is it to be consumption of high alcoholic distilled spirits, taken rapidly, and often, and in excess, in a shop confined to drinking, and during working hours, and whether or not responsible tasks lie ahead?

Or is it to be some other combination of drinking customs between these two extremes?

**These and like questions face each one of 800,000 people in Manitoba. More important still—each must answer for himself. And as an informed and responsible being, each will know that he must accept the responsibility for the consequences of his decision.**

**Manitoba's answer will thus be decided, from time to time, by the sum of individual decisions, each having been determined by the impact of such educational and environmental influences as the community, in its wisdom, will have found it expedient to provide.**

**There is one thing the ancient record has written clear—one way to safety lies in voluntary abstinence.**

**There is another thing the modern world has let us glimpse—science has brought new understanding and new hope of eventual rational control.**

**And there is a third thing the soul of moral man has bid us not forget—man is not without some responsibility to his brother man.**

# PART TWO

## Specific Questions Referred to the Commission.

### CHAPTER XV

#### OFF-PREMISE DISTRIBUTION OF LIQUOR

Method of Sale — Permit System — Hours of Sale — Law Enforcement —  
Grocery Stores — Brewery Sales — Beer Vendors.

Instructions to the Commission:

Without limiting in any way the general scope of its enquiry as hereinbefore set out, the Commission be instructed in particular to make findings and recommendations with respect to:

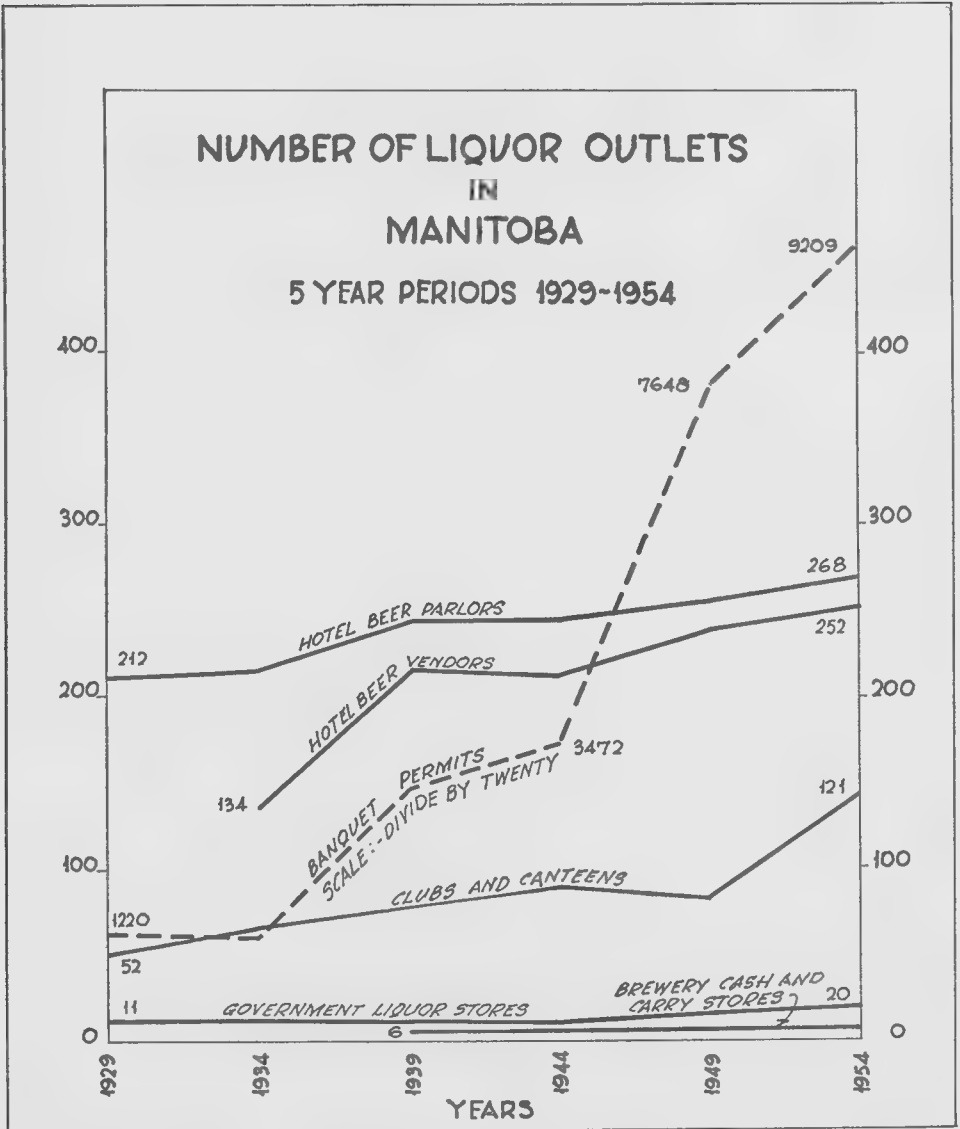
The adequacy of The Government Liquor Control Act, 1928, the regulations thereunder, any other legislation, and the administration of said act, regulations and legislation in regard to:

- (1) Method of sale of beer, wine and spirituous liquor through government liquor stores,
- (2) The permit system,
- (3) Hours of sale in government stores, and
- (4) Such other matters as are incidental to the foregoing, including the sale of beer in grocery stores and by Hotel Beer Vendors.

#### GOVERNMENT MONOPOLY OF LIQUOR DISTRIBUTION

At the present time the distribution of alcoholic beverages in the Province of Manitoba is under Government monopoly control. This system was first established by the Government Liquor Control Act, 1923. This Act provided for a system under which the Government only sold packaged liquor for home consumption; for the establishment of a Government Liquor Control Commission comprised of no more than three members to be generally responsible for the purchase and sale of liquor and wine from distillers and vintners, and the establishment and management of warehouses and stores which would be required in selling to the public. The Commission in addition exercised supervision and control over beer sales by local breweries. Only persons possessing permits could purchase spirits, wine or beer and this subject to quantity restrictions imposed by the Commission. The Act of 1923 was replaced by the Government Liquor Control Act, 1928, under which, with the subsequent amendments, we at present operate. This Act continued the Government Liquor Control Commission (hereafter referred to as the G.L.C. Commission) to which were delegated all matters of liquor control and distribution, including the opening of Cash and Carry Government liquor stores throughout the Province for the package sale of liquor and the licensing of beer parlors in hotels. At the time of the passage of this Act, Government monopoly systems existed in seven Provinces, and it is the system in use throughout Canada at the present time.

# Chapter XV—Chart 1



The Act of 1923 provided only for the home consumption of liquor delivered to the home. There were no Cash and Carry outlets, and no provision was made for on-premise consumption, that is, no licenses were issued for consumption "by the-glass." The Act developed opponents at once because of the delay and inconvenience involved in a delivery system. The Act of 1928 was passed in response to a public demand for both Cash and Carry stores and for outlets where beer might be obtained by the glass for immediate consumption. By providing for license of beer parlors the Act established two types of liquor sale in Manitoba: for **off-premise** consumption by purchase from Government Liquor Stores, brewery warehouses, and by home delivery; and for **on-premise** consumption in beer parlors. All distribution of liquor is for one kind of consumption or the other, and the major matters of distribution recommended for the concern of this Commission are readily classified as off-premise sale or on-premise sale. The problems of distribution, then, will be discussed under these two headings.

At the present time all vinous and spirituous liquors are sold by package only, and they are retailed exclusively by the G.L.C. Commission stores (with the exception of that handled by druggists and sacramental wine dealers). On the other hand the greater part of beer distribution has been delegated by the government. The delegated agents are:

1. Beer parlors, clubs and canteens, which provide beer for on-premise consumption;
2. Hotel Beer Vendors;
3. Brewery Cash and Carry stores, and
4. Brewery home delivery.

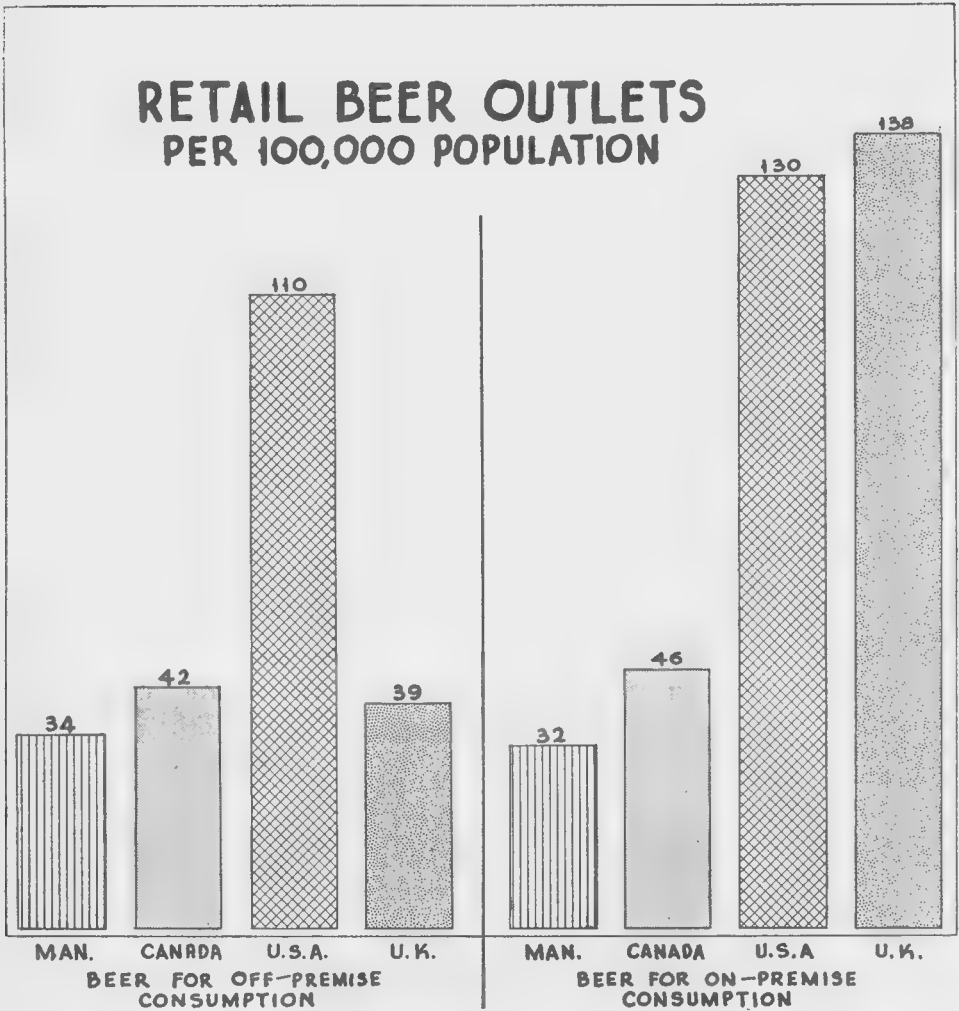
This means that most package sale of beer is delegated by the Government to others, and all on-premise sale is so delegated.

The State monopoly system arose everywhere from the example of Norway and Sweden where such systems were established in the last half of the nineteenth century. The first aim of State liquor monopoly is to place in the hands of the State the regulation and control of the distribution and, in part, of the consumption, of a product the abuse of which leads to undesirable social consequences. Such a system not only makes possible the check and regulation of sale; but, by controlling of private profit, it reduces the incentive to increase sale.

In addition to providing this control over liquor distribution and consumption, the monopoly system is based on the fundamental assumption that it is proper for the State to take a large portion of the profit from this industry. This is considered proper because:

1. The use of the products causes unusual costs to society; and
2. It is in a class by itself because, of all industries, the great increase in business of this industry alone is considered by all to be dangerous to a society.

These profits, it should be noted, are always of such amounts as to make them an important part of the Governmental Budget.



1. Government Liquor Stores—General Operation

Pursuant to the provisions of the Act, the G.L.C. Commission has established and is presently operating 20 Government liquor stores, eight in Greater Winnipeg and 12 in the rest of the Province. The stores are located at the following points (opening date of each store shown in brackets):

Greater Winnipeg

|                                 |                                           |
|---------------------------------|-------------------------------------------|
| 317 McDermot Avenue, Winnipeg   | (1928)                                    |
| 309 Fort Street, Winnipeg       | (1928)                                    |
| 577 Portage Avenue, Winnipeg    | (1928)                                    |
| 423 McMillan Avenue, Winnipeg   | (1928) (originally at<br>117 Osborne St.) |
| 992 Main Street, Winnipeg       | (1928) (originally at<br>958 Main St.)    |
| 117 Marion Street, St. Boniface | (1928) (originally at<br>111 Marion St.)  |
| 1825 Portage Avenue, St. James  | (1947)                                    |
| 260 Kelvin Street, Elmwood      | (1953)                                    |

Other Points in Manitoba

|                          |        |
|--------------------------|--------|
| Beausejour .....         | (1953) |
| Brandon.....             | (1928) |
| Dauphin.....             | (1928) |
| Emerson.....             | (1938) |
| Flin Flon .....          | (1933) |
| Killarney.....           | (1952) |
| Neepawa.....             | (1952) |
| Portage la Prairie ..... | (1928) |
| Roblin.....              | (1952) |
| Russell.....             | (1952) |
| Selkirk.....             | (1948) |
| The Pas.....             | (1928) |

Eleven stores were opened in 1928, of which six were in Greater Winnipeg area. One store which was opened in 1928 at 672 Tache Avenue, and was moved in 1931 to 135½ Provencher Street, was closed in 1933. The following table shows the development in store outlets since the inception of the Act.

NUMBER OF LIQUOR STORES IN MANITOBA  
1928-1954

|             |             |             |
|-------------|-------------|-------------|
| 1928.....11 | 1947.....13 | 1952.....18 |
| 1938.....12 | 1948.....14 | 1953.....20 |

Manitoba's estimated population in 1954, according to the Dominion Bureau of Statistics, was 828,000. This means that the Government provides one liquor store for every 41,400 Manitoba residents. Herewith is a comparative table

|                        | Population<br>(D.B.S., 1954<br>Estimated) | Prov.<br>Govt.<br>Liquor<br>Stores | No. of<br>Persons<br>per<br>Store | Private<br>Wine<br>Stores | Beer<br>Stores<br>(Brewers'<br>Agents) | Beer<br>Vendors<br>Off-Sale<br>(Hotels<br>and<br>Taverns) | Grocery<br>Stores<br>Beer | Total<br>Off-Sale<br>Estab. | No. of<br>Persons<br>per Estab. |
|------------------------|-------------------------------------------|------------------------------------|-----------------------------------|---------------------------|----------------------------------------|-----------------------------------------------------------|---------------------------|-----------------------------|---------------------------------|
| Newfoundland.....      | 398,000                                   | 6 <sup>1</sup>                     | 66,333                            | .....                     | 201                                    | 17                                                        | .....                     | 224                         | 1,776                           |
| Nova Scotia.....       | 673,000                                   | 47                                 | 14,319                            | .....                     | .....                                  | .....                                                     | .....                     | 47                          | 14,319                          |
| New Brunswick.....     | 547,000                                   | 39                                 | 14,025                            | .....                     | .....                                  | .....                                                     | .....                     | 39                          | 14,025                          |
| Prince Edward Island.. | 105,000                                   | 7                                  | 15,000                            | .....                     | .....                                  | .....                                                     | .....                     | 7                           | 15,000                          |
| Quebec.....            | 4,388,000                                 | 125                                | 35,104                            | .....                     | .....                                  | 607                                                       | 3,235                     | 3,967                       | 1,106                           |
| Ontario.....           | 5,046,000                                 | 184                                | 27,423                            | 49                        | 200                                    | .....                                                     | .....                     | 433                         | 11,653                          |
| Manitoba.....          | 828,000                                   | 20                                 | 41,400                            | .....                     | 6                                      | 258                                                       | .....                     | 284                         | 2,915                           |
| Saskatchewan ..        | 878,000                                   | 75 <sup>2</sup>                    | 11,796                            | .....                     | .....                                  | 500                                                       | .....                     | 575                         | 1,527                           |
| Alberta.....           | 1,039,000                                 | 63                                 | 16,492                            | .....                     | .....                                  | 420                                                       | .....                     | 483                         | 2,151                           |
| British Columbia.....  | 1,266,000                                 | 99                                 | 12,787                            | .....                     | .....                                  | 480                                                       | .....                     | 579                         | 2,186                           |

<sup>1</sup>Three new liquor stores were established in 1955 bringing the total to nine. The number per store is now 44,222.

<sup>2</sup>Twenty-three of the Saskatchewan Liquor stores sell beer and wine only.

Source: Information supplied by Provincial Liquor Boards.

showing the numbers of all types of outlets in the ten Provinces of Canada: (Note that every other Province except Nova Scotia, New Brunswick and Prince Edward Island has beer or wine off-sale outlets in addition to Government liquor stores).

From the foregoing table, it can be seen that only Newfoundland has a greater ratio of population to liquor stores than Manitoba. On the basis of the total outlets for the off-premises sale of liquor, Manitoba ranks fifth by comparison to the other Provinces. It should be remembered however that the 258 hotel beer vendors who sell only beer for off-premises consumption somewhat change this ratio in the direction of more outlets.

It appears to have been the policy of the G.L.C. Commission to keep the number of stores in operation to a minimum. Prior to 1952, there were only fourteen stores established, with six additional outlets subsequently opened during the next three years. At present, it cannot be said that Manitoba is adequately served through the number of its stores in relation to the size and population of the Province.

It was apparent from many of the briefs presented that the public is sometimes justifiably irritated by the crowding and queueing at Government stores. This condition arises partly through the scarcity of stores and partly through the manner in which service is given in the stores. Dr. E. M. Jellinek, of the World Health Organization, in his comments to the Commission, stated that the ratio in Norway and Sweden of one store for every 3,000 of population was an acceptable one. He suggested that Manitoba could have possibly 50 or 60 small liquor stores, more widely distributed, which would give the required service to the public without in any way increasing consumption or stimulating sales.

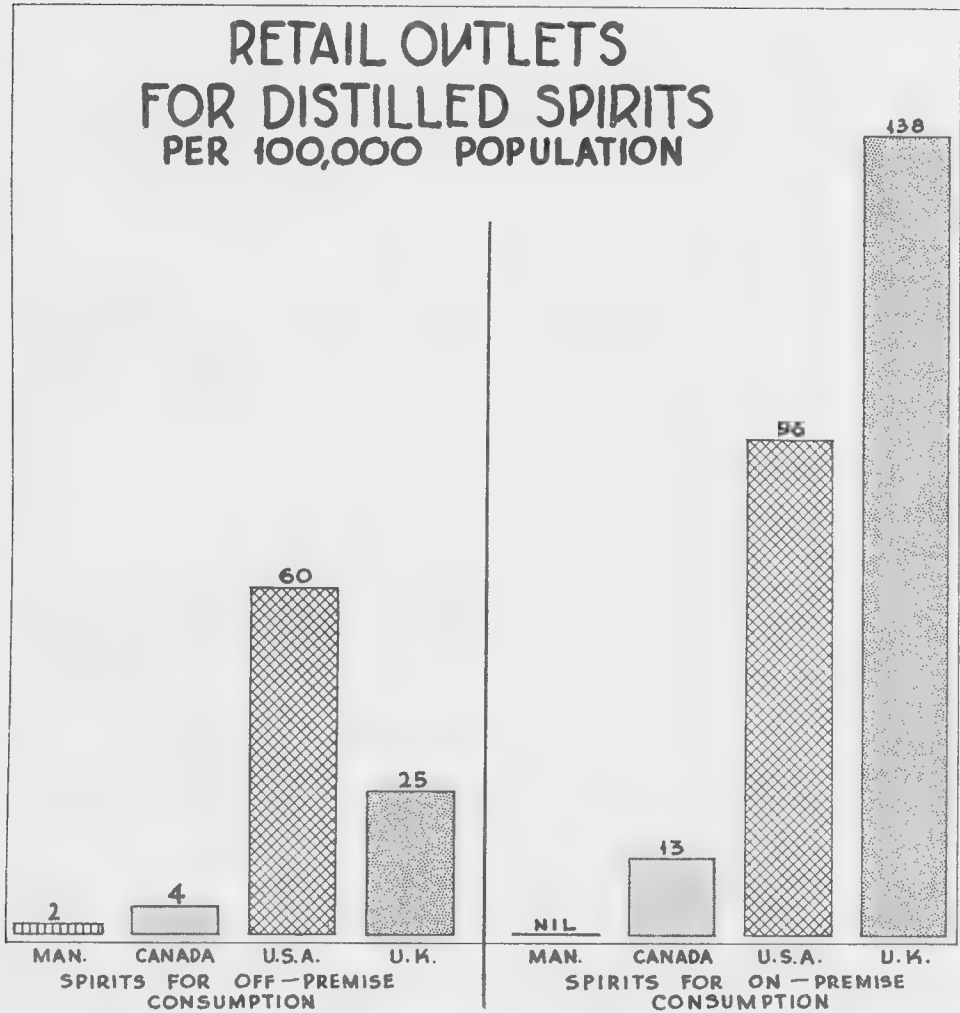
In order to purchase liquor for home consumption at these off-sale Government stores, an individual must be in possession of a general permit. The general permit entitles the holder thereof to purchase liquor for beverage, medicinal or culinary purposes. The liquor so purchased must be had, kept, given and consumed by the permittee only at his residence as stated on his permit (S. 58 (1)). This permit is available to a temporary or permanent resident over the age of 21 years (who is not otherwise disqualified) and is valid for one year or one month dependent upon whether it is a full term (\$1.00) or limited (\$.50) permit. The whole topic of permits will be fully discussed later in this chapter.

Under the present Act, no sale of liquor can be made from a Government store until the permit holder

- (a) gives a written order for the liquor;
- (b) produces his individual permit for inspection and endorsement; and
- (c) pays for the liquor in cash.

In order to comply with these formalities, the purchaser must first attend at the order counter to fill out his order; then he takes his order, permit and cash to the cashier who enters the quantity purchased in his permit and from whom he receives a receipt: he next goes to the delivery counter where his order is filled and his liquor purchase handed to him. This procedure is time consuming and as mentioned, is an important factor in the crowding which occurs in stores.





## Maximum Quantities Purchasable

The amount of liquor which the G.L.C. Commission may sell to a permit holder in any one day is as follows (S. 48):

- (1) not more than two gallons (1 case) of beer; and
- (2) one gallon of wine; and
- (3) fifty-five ounces of any other liquor;
- (4) any greater quantity not exceeding 12 times those quantities of beer or wine, or one case of 12 bottles of other liquor; but where a purchase is made of any greater quantity no further sale of the same kind of liquor can be made to the same person for a number of days thereafter equal to the ratio of the quantity of the kind purchased to the quantity of the same kind set out under (1), (2), or (3) above.

One exception to this general provision relates to any permittee whose residence is in a hotel. Such a person may purchase at one time only one case of beer, one gallon of wine and 55 ounces of any other liquor (S. 49 (3)), and cannot have or keep in his hotel room any quantity of liquor greater than the amount of his daily purchase (S. 153 (1) (b)). This specific restriction against hotel residents was apparently incorporated into the 1928 Act, to assist in the prevention of illegal sales from hotel rooms. However, the G.L.C. Commission in its submission to the Select Special Committee of the Legislature in 1952, suggested that this restriction be abolished since it was no longer required as a measure of law enforcement and was a source of annoyance to hotel guests, especially tourists.

The policy of placing a restriction on the amount of spirits, beer and wine purchasable in one day for off-premises consumption is followed in only three other Provinces: Saskatchewan, Newfoundland and Prince Edward Island. In Nova Scotia, discretion is given to the liquor store vendor to decide whether the quantity of liquor sought to be purchased is "reasonable", having regard to all of the circumstances.

In 1954 Sweden, after using the *motbok* (permit) and rationing system, abandoned it as a measure for the promotion of temperance. The Swedish people found that rationing liquor often merely encouraged temperate citizens to purchase the full amount of their ration without in any way deterring alcoholics or problem drinkers from securing all the liquor they desired.

It was the opinion of the Commission that it would be wise to continue reasonable limitations on the maximum quantity of liquor purchasable by a person in one day—see Recommendations.

## Deliveries

The Act further provides that delivery of liquor purchased at a Liquor Store may be effected by one of the following methods:

- (1) The purchaser may carry away with him from the liquor store to his residence any quantity of liquor he may lawfully purchase on a general

permit in any one day under S. 48 (a) (i), i.e., one case of beer, one gallon of wine and 55 ounces of any other liquor.

- (2) The purchaser may place his order in person or by mail with the commission for **any quantity of liquor** he may lawfully purchase and in the order request that the liquor be delivered to his residence in the case of a general permit; whereupon the liquor **shall be delivered** by or under the direction of the Commission accordingly with as little delay as possible. The Act states that delivery to a common carrier or by mailing in the post office passes the property to the consignee and the purchaser may choose his own common carrier if by rail or water.

In practice there has been no regular or special delivery service operated by the G.L.C. Commission since the institutions of wartime rationing in 1943. Prior to that date, the service operated as follows:

In Greater Winnipeg and other urban centres in the Province there was a regular delivery service whereby a purchaser could place his order in person at a liquor store, pay for the liquor, and it would be delivered at no extra charge to his residence the following day. There was also a special delivery service in operation in Greater Winnipeg under which telephone C.O.D. orders were accepted up to 11 p.m. daily and delivery was made to the purchaser's residence forthwith for a delivery fee of 50 cents over and above the regular price of the liquor.

The discontinuance of this delivery service without amendment of the Act's provisions was apparently carried out under the authority of S. 15 which provides as follows:

"Neither this Act nor any other Act or law shall be construed as compelling the Commission to sell or deliver liquor to any person."

With the end of rationing in 1948, the G.L.C. Commission did not resume deliveries of liquor but instead interpreted S. 51 (b) to mean that a purchaser buying more than one day's limit of liquor (as laid down in S. 48 (a) (i)) when directed and authorized by the G.L.C. Commission could carry away this liquor to his residence in place of having it delivered by the G.L.C. Commission. Pursuant to this interpretation the Commission now authorizes a permittee to purchase up to 12 bottles of spirits and 12 bottles of wine and allows him to deliver personally such purchases to his residence. The purchase and delivery of more than one case of beer by this method has not been authorized however, in view of the delivery service maintained by breweries in the Greater Winnipeg and Brandon areas. This brewery delivery service enables a purchaser to buy and have delivered up to 12 cases of beer at one time.

It is apparent from the foregoing that the present policy of the G.L.C. Commission regarding deliveries is unsatisfactory. For instance, the Act allows a permittee to purchase and carry away one gallon of wine and 55 ounces of spirits per day, or to purchase 12 gallons of wine and 12 bottles of spirits and have those quantities delivered under the direction of the G.L.C. Commission. Under the G.L.C. Commission's ruling however, a permittee may legally purchase and deliver his 12 bottles of spirits, but may only purchase and deliver 12 bottles of wine as opposed to the 12 gallons which the Act allows. The question immediately arises as

to why the G.L.C. Commission limits wine purchases which can be delivered by the permittee to 12 bottles.

In the case of beer, the situation is even less defensible. Certainly if the Commission (by its interpretation of S. 51 (b)) can authorize a permittee to purchase and deliver his full quota of spirits, the same privilege should extend to the purchase and delivery of beer. There appears to be no justification for the present policy since brewery deliveries take place in only the Greater Winnipeg and Brandon areas.

The G.L.C. Commission directed attention to this situation in its list of proposed amendments to the Act forwarded to the Select Special Committee of the Legislature in 1952. The G.L.C. Commission pointed out that allowing a permittee to accept delivery of 12 bottles of spirits at a liquor store was "both a convenience to the purchaser and a saving to the Commission." It suggested that the same principle should be made to apply to personal deliveries of wine and beer but only in quantities equal to four times the daily limit (i.e. 4 cases of beer and 4 gallons wine.) This suggested amendment, which would have done much to correct the present situation, was not acted upon by the Legislature.

The Select Special Committee itself recommended that the G.L.C. Commission resume its pre-1943 policy of delivering liquor to purchasers, but no action was taken on this recommendation. The Commission feels that delivery service has a distinct advantage to our citizens, and we recommend its re-establishment with C.O.D. privileges.

### **Packaging**

All liquor sold to permittees must be in a vessel contained in a package sealed with the official seal as prescribed under the Act. This requirement presently puts the G.L.C. Commission to considerable expense both in material and labour since the great majority of imported stocks of liquor and wine are received from the distilleries and wineries in unwrapped bottles. To conform with this Section, the G.L.C. Commission must wrap each individual bottle in paper and then affix the official seal to the paper wrapping. The G.L.C. Commission pointed out to the Select Special Committee that a substantial saving in costs would result from amending this Section to abolish the necessity of a package or wrapping on each individual bottle of liquor it sold. The G.L.C. Commission suggested that such an amendment would permit them to sell spirits and wine in their original containers with the official seal being affixed to the bottle or container provided by the distillery. However, no action was taken by the Legislature to implement this recommended amendment.

The G.L.C. Commission also suggested that this requirement was in practice incapable of fulfillment with respect to bottled beer supplied by breweries in open wooden cases to licensed premises. The practice since the inception of the Act has been to affix the official seal to the side of the open containers which does not however constitute a sealed package. These wooden containers are used over and over again without removing the seal thereon. The G.L.C. Commission, therefore, suggested that S. 55 (1) be further amended to legalize the present practice by excepting open wooden cases from the sealing requirement. Again no action was taken by the Legislature on this suggested amendment.

This Commission feels that there is no reasonable justification for the additional burden placed on the G.L.C. Commission by requiring the wrapping of bottled alcoholic beverages and that indeed it may cause real inconvenience to the purchaser who cannot see what he wishes to buy. We are accordingly recommending changes in this part of the administration of Government Liquor Stores.

### Days and Hours of Sale

The current hours of sale prescribed by the Government Liquor Control Commission for its liquor stores are:

Greater Winnipeg Stores—Monday to Saturday—12 noon to 8 p.m.

Stores at other points—Monday to Saturday—12 noon to 6 p.m.

Municipal half-holidays—10 a.m. to 12 noon

Head Office, Winnipeg—Monday to Saturday—10 a.m. to 6 p.m.

For the past two years, the Commission has, by administrative order, kept its stores open in Greater Winnipeg until 10 p.m. during certain days prior to Christmas and New Year's.

Liquor stores may be open for the sale of liquor on all days except the following:

- (1) any Sunday or holiday (holiday is defined by S. 2 (15) as including Good Friday, Thanksgiving, Remembrance Day and Christmas Day);
- (2) on any day on which polling takes place at any municipal election held in the municipality in which the store is situated or upon any question submitted to the electors of the municipality under this or any other Act of the Provincial Legislature; but this prohibition does not apply on a day on which voting takes place at advance or special polls;
- (3) on any day on which polling takes place at any Dominion or provincial election held in the electoral division in which the store is situated;
- (4) during such other periods and on such other days as the Commission may direct. This latter provision gives the Commission the discretion to close stores on other days not previously mentioned in the Act and is used to cover such days as provincial holidays, special events, etc.

The Commission, in its list of suggested amendments to the Act, requested that the Select Special Committee gives consideration to amending these provisions to conform with the practice of the Commission which is to allow stores, beer parlors and clubs **to remain open** in the following cases:

- (a) where acclamations have resulted in the ward in which the store, beer parlor or club is located and no polling is taking place in that ward as distinct from the rest of the municipality;
- (b) where by-elections are being held in a municipality, in any ward in which no polling is taking place;
- (c) in any electoral division where advance polls have been established for voting in Dominion, Provincial or Municipal elections or on a plebiscite or referendum;
- (d) in any Municipality wherein sub-polls have been established for convenience to voters in another Municipality holding elections.

The Commission pointed out that while this policy is not in conformity with the Act, it has been followed since 1928 with no ill results.

The Commission also recommended that the Act's definition of a "holiday" be expanded to include the Monday following Christmas Day if Christmas Day falls on a Sunday.

No action was taken on either of these suggested amendments.

The hours of sale at liquor stores are laid down by memoranda from the Commission to the various store managers, and **not by regulation, as required by the Act.** There is no promulgation regulation by the G.L.C. Commission dealing with hours of sale at liquor stores. The G.L.C. Commission alters and adjusts the hours as it deems necessary by the memoranda to store managers. This practice of the G.L.C. Commission, while not a matter of major concern, does not conform with the specific requirements of the Act.

### VOLUME OF BUSINESS

The following tables show the volume of sale of various types of liquor through the Government Liquor Control Commission Stores.

#### LIQUOR SOLD THROUGH G.L.C. COMMISSION STORES, 1928-1954

| Fiscal Year | Spirits<br>(Gallons) | Wine<br>(Gallons) | Beer<br>(Gallons) |
|-------------|----------------------|-------------------|-------------------|
| 1928.....   | 152,512              | 168,213           | 154,335           |
| 1929.....   | 158,476              | 158,935           | 145,812           |
| 1930.....   | 137,062              | 153,983           | 286,493           |
| 1931.....   | 111,796              | 143,105           | 274,557           |
| 1932.....   | 81,577               | 126,073           | 202,787           |
| 1933.....   | 73,518               | 122,687           | 160,800           |
| 1934.....   | 76,619               | 142,303           | 163,968           |
| 1935.....   | 117,298              | 129,268           | 138,037           |
| 1936.....   | 153,731              | 126,612           | 196,103           |
| 1937.....   | 185,193              | 146,283           | 217,721           |
| 1938.....   | 191,913              | 149,872           | 247,444           |
| 1939.....   | 189,289              | 157,152           | 217,783           |
| 1940.....   | 192,895              | 186,830           | 230,336           |
| 1941.....   | 225,163              | 194,113           | 293,390           |
| 1942.....   | 273,463              | 228,033           | 443,431           |
| 1943.....   | 273,613              | 246,609           | 586,602           |
| 1944.....   | 214,771              | 169,897           | 969,343           |
| 1945.....   | 214,608              | 176,293           | 1,316,333         |
| 1946.....   | 326,870              | 194,130           | 1,256,664         |
| 1947.....   | 361,136              | 245,353           | 916,851           |
| 1948.....   | 379,992              | 248,265           | 842,779           |
| 1949.....   | 413,453              | 244,273           | 746,078           |
| 1950.....   | 452,658              | 248,034           | 734,338           |
| 1951.....   | 475,495              | 274,586           | 684,259           |
| 1952.....   | 497,501              | 275,026           | 625,607           |
| 1953.....   | 536,778              | 273,769           | 694,192           |
| 1954.....   | 554,396              | 264,853           | 719,711           |

**STATEMENT SHOWING SALES OF SPIRITS, WINE AND BEER IN  
GOVERNMENT LIQUOR STORES FOR TEN YEARS IN TERMS OF  
DOLLAR VALUES**

| Year      | Spirits         | Wine          | Beer            | Total           |
|-----------|-----------------|---------------|-----------------|-----------------|
| 1944..... | \$ 5,138,360.71 | \$ 723,030.81 | \$ 1,383,019.49 | \$ 7,244,411.01 |
| 1945..... | 5,210,975.48    | 813,276.76    | 2,241,977.52    | 8,266,229.76    |
| 1946..... | 7,963,159.13    | 969,183.08    | 2,763,259.13    | 11,695,601.34   |
| 1947..... | 8,878,286.75    | 1,299,479.27  | 2,172,677.26    | 12,350,443.28   |
| 1948..... | 9,420,673.40    | 1,424,577.38  | 1,842,143.50    | 12,687,394.28   |
| 1949..... | 10,296,254.74   | 1,384,549.39  | 1,714,570.90    | 13,395,375.03   |
| 1950..... | 11,194,168.11   | 1,402,256.12  | 1,688,316.70    | 14,284,740.93   |
| 1951..... | 12,045,076.68   | 1,468,718.96  | 1,655,753.53    | 15,169,549.17   |
| 1952..... | 12,883,695.11   | 1,601,844.14  | 1,614,569.30    | 16,100,108.55   |
| 1953..... | 13,846,413.15   | 1,636,702.81  | 1,787,955.70    | 17,271,071.66   |
| 1954..... | 14,331,752.53   | 1,599,912.96  | 1,886,858.61    | 17,818,524.10   |

Three observations arise from a study of these tables.

(1) The depression years, roughly 1931 to 1936, show a decrease in sales. This is not surprising since it is generally known that liquor is a luxury item in most budgets, and sale of alcoholic beverages roughly parallels the increase and decrease in living standards.

(2) Having noted this irregularity, it can be said that the sale of spirits and wine in the Province of Manitoba has increased steadily since the passage of The Government Liquor Control Act, 1928.

(3) A like steady increase in the sale of beer through Government liquor stores has not taken place. It has, however, taken place in the sale of beer through all outlets, as the following table shows.

**Total Sales of Beer in the Province of Manitoba—In Gallons**

| Fiscal<br>Year     | Fiscal<br>Year     | Fiscal<br>Year      |
|--------------------|--------------------|---------------------|
| 1928.....1,827,443 | 1937.....2,425,010 | 1946.....8,346,718  |
| 1929.....3,394,732 | 1938.....2,821,049 | 1947.....7,843,365  |
| 1930.....3,592,029 | 1939.....2,824,041 | 1948.....8,581,521  |
| 1931.....3,326,445 | 1940.....3,122,918 | 1949.....8,752,599  |
| 1932.....2,843,621 | 1941.....3,957,643 | 1950.....9,026,362  |
| 1933.....2,248,859 | 1942.....4,244,895 | 1951.....8,631,555  |
| 1934.....2,102,881 | 1943.....4,365,985 | 1952.....8,876,071  |
| 1935.....2,187,744 | 1944.....4,806,111 | 1953.....9,764,856  |
| 1936.....2,244,579 | 1945.....6,771,811 | 1954.....10,044,424 |

A comparison of these figures with figures given earlier for beer sales through Government stores makes clear that the Government liquor stores have handled progressively smaller percentages of the total beer sales since 1946. This decrease is accounted for by a shift of off-premise beer sale from Government liquor stores to beer vendors. The increase of sales through these outlets is indicated for five year spreads in the following table.

The volume of purchases by hotel beer vendors in certain years from 1935 to 1954 was as follows:

| Fiscal Year | Winnipeg<br>City | Winnipeg<br>Suburbs | Other Points<br>in Province | Total     |
|-------------|------------------|---------------------|-----------------------------|-----------|
|             | (Gallons)        | (Gallons)           | (Gallons)                   | (Gallons) |
| 1935.....   | .....            | 1,758               | 46,144                      | 47,902    |
| 1939.....   | 1,503            | 7,678               | 146,410                     | 155,591   |
| 1944.....   | 9,856            | 36,771              | 482,992                     | 529,619   |
| 1949.....   | 18,838           | 264,950             | 1,501,417                   | 1,785,205 |
| 1954.....   | 25,357           | 490,700             | 1,612,427                   | 2,128,484 |

Source: Government Liquor Control Commission. Conversion made from dozens of bottles to gallons by Manitoba Liquor Enquiry Commission.

It should be noted that this increase occurred in part because of the establishment of more, and of larger, outlets with beer vendor privileges. Other advantages of the hotel beer vendor outlets will be discussed under the heading "Hotel Beer Vendors," but it may safely be assumed that since the Government Liquor Control Commission has licensed these vendors, the policy of the Commission is to shift off-premise sale of beer to them.

### Other Provinces

Hours of sale in Government liquor stores vary throughout Canada, the hours between 10:00 a.m. and 6:00 p.m. being the most common.

Late closing stores are provided in the largest cities in British Columbia and Alberta. In Vancouver, three stores remain open until 2:00 a.m., and stores are open until 11:00 p.m. in Victoria, New Westminster and Prince Rupert, although all other liquor stores in the Province close at 6:00 p.m. In Alberta, stores in Calgary, Edmonton and Lethbridge remain open until 10:00 p.m., and in Drumheller and Medicine Hat until 8:00 p.m. Elsewhere in the Province the closing hour is 6:00 p.m. Stores remain open until 9:00 p.m. on Saturday in Prince Edward Island.

In the three Prairie Provinces liquor stores close on Wednesday or Thursday afternoons where Municipal half-day closing applies. In Nova Scotia and New Brunswick stores are closed on Saturday afternoons.



The Manitoba hours, while not unusual for Canada, would be considered unduly limited in many other countries. In the United States, in States where private license exists, package stores may, for the most part, remain open until 11:00 p.m. and in many places until midnight or later. Although in the Monopoly States the usual closing hour is 6:00 p.m. or 8:00 p.m., some of these States make provision for stores to remain open until 11:00 p.m. in metropolitan centres. In England the off-premise hours of sale are the same as on-premise, which means that in most places, off-premise sale lasts until 10:00 p.m., and in many places as late as 11:00 p.m. In countries like France, Spain, and Italy the hours are not regulated but are determined by the practical demands of business functioning.

Not many of the briefs presented to this Commission made reference to the hours of sale in stores, but such as did requested an extension for the convenience of patrons and as aid in combating bootlegging. The Tourist Associations said that liquor store closing hours were too early for tourists and travellers. The view was also expressed that, in the City of Winnipeg, at least one store should remain open quite late, perhaps until 2:00 a.m.

## Prices

The Act states that the price of each particular variety of liquor, except wine in bulk and beer, must be the same at all liquor stores.

At the time of the passage of the Act delivery to home of a purchaser residing within the limits of any city or town in which a Government Liquor Store was situated was provided at the Government's cost. Furthermore special delivery was also provided at the cost to the purchaser of an amount prescribed by the G. L.C. Commission. Both of these types of delivery have been abandoned since 1943. Any freight or express charges to the railway station or express office nearest to the residence of any permittee living outside the limits of a city or town in which a Government store is located is borne by the G.L.C. Commission.

In addition, where liquor is delivered by post to a permittee living outside such limits, the postal charges are borne by the Government Liquor Control Commission, but the permittee must pay to the Commission a charge of 25c per bottle over and above the regular price of the liquor.

The following table shows changes in prices charged by the Government Liquor Control Stores for spirits, wine and beer:

# COMPARATIVE SELLING PRICE OF THREE REPRESENTATIVE BRANDS OF SPIRITS, TWO OF WINE, ONE OF BEER

(From Liquor Commission Statements)

| G.L.C.C.<br>Price<br>List | Low<br>Priced<br>Rye<br>Whiskey | Med.<br>Priced<br>Rye<br>Whiskey | High<br>Priced<br>Rye<br>Whiskey | Stand-<br>ard<br>Scotch | Im-<br>ported<br>Port | Dom-<br>estic<br>Sherry | Mani-<br>toba<br>Beer |
|---------------------------|---------------------------------|----------------------------------|----------------------------------|-------------------------|-----------------------|-------------------------|-----------------------|
|                           | (25 oz.)                        | (25 oz.)                         | (25 oz.)                         | (26 oz.)                | (26 oz.)              | (26 oz.)                | (2 doz.)              |
| 1928                      |                                 |                                  |                                  |                         |                       |                         |                       |
| #14.....                  | \$2.80                          | \$3.35                           | \$3.65                           | \$4.40                  | \$2.00                | \$ .50                  | \$3.60                |
| 1932                      |                                 |                                  |                                  |                         |                       |                         |                       |
| #18.....                  | 3.00                            | 3.60                             | 3.85                             | 4.85                    | 2.00                  | .50                     | 3.50<br>(1931)        |
| 1932                      |                                 |                                  |                                  |                         |                       |                         |                       |
| #19.....                  | 2.80                            | 3.35                             | 3.65                             | 4.20                    | 1.90                  | .50                     | .....                 |
| 1935                      |                                 |                                  |                                  |                         |                       |                         |                       |
| #21.....                  | 2.15                            | 2.70                             | 3.00                             | 3.25                    | 1.90                  | .50                     | 3.60<br>(1936)        |
| 1939                      |                                 |                                  |                                  |                         |                       |                         |                       |
| #25A .....                | 2.55                            | 3.10                             | 3.40                             | 3.75                    | 2.15                  | .50                     | 3.30                  |
| 1941                      |                                 |                                  |                                  |                         |                       |                         |                       |
| #27.....                  | 2.70                            | 3.00                             | 3.60                             | 4.20                    | 2.50                  | .50                     | 3.50                  |
| 1942                      |                                 |                                  |                                  |                         |                       |                         |                       |
| #29.....                  | 3.15                            | 3.50                             | 4.00                             | 4.70                    | 3.10                  | .60                     | 3.60                  |
| 1943                      |                                 |                                  |                                  |                         |                       |                         |                       |
| #30.....                  | 3.65                            | 4.00                             | 4.50                             | 5.30                    | 3.10                  | .60                     | 3.80<br>(1944)        |
| 1946                      |                                 |                                  |                                  |                         |                       |                         |                       |
| #32.....                  | 3.65                            | 4.00                             | 4.50                             | 5.30                    | 3.25                  | .60                     | .....                 |
| 1949                      |                                 |                                  |                                  |                         |                       |                         |                       |
| #35.. .....               | 3.65                            | 4.25                             | 4.50                             | 5.20                    | 3.00                  | .75                     | .....                 |
| 1950                      |                                 |                                  |                                  |                         |                       |                         |                       |
| #37.....                  | 4.00                            | 4.50                             | 4.80                             | 5.35                    | 3.00                  | .70                     | 4.00                  |
| 1954                      |                                 |                                  |                                  |                         |                       |                         |                       |
| #41.....                  | 4.00                            | 4.40                             | 4.80                             | 5.25                    | 2.65                  | .80                     | 4.50                  |

The above prices for spirits were generally changed at the time of, or following, major Federal Taxation changes, including customs, excise and sales tax. These taxation changes as reported by the Government Liquor Control Commission were as follows:

| Year      | Customs Imports<br>Per Proof Gallon | Excise Domestic<br>Per Proof Gallon | Sales Tax |
|-----------|-------------------------------------|-------------------------------------|-----------|
| 1928..... | \$10.00                             | \$9.00                              | 3%        |
| 1929..... | -----                               | -----                               | 2%        |
| 1930..... | -----                               | -----                               | 1%        |
| 1931..... | -----                               | -----                               | 4%        |
| 1932..... | 8.00                                | 7.00                                | 6%        |
| 1935..... | 5.00                                | 4.00                                | -----     |
| 1936..... | -----                               | -----                               | 8%        |
| 1939..... | 8.00                                | 7.00                                | -----     |
| 1942..... | 10.00                               | 9.00                                | -----     |
| 1943..... | 12.00                               | 11.00                               | -----     |
| 1948..... | 11.50                               | -----                               | -----     |
| 1950..... | 12.50                               | 12.00                               | -----     |
| 1951..... | -----                               | -----                               | 10%       |

Such price changes as have been made for any type of liquor have been generally because of increase in tax or other change in cost to the Government Liquor Control Commission. Such price changes sometimes led to increased revenue but it has not been the policy at any time to change prices for the purpose of increasing profit accruing to the Government Liquor Control Commission itself.

### Manitoba Opinion of Government Control and its Functioning

The opinions on this matter expressed to the Commission at its hearings throughout the Province were many and varied but generally favourable to the system of package sale by the Government.

The following criticisms and suggestions were offered regarding details of the distribution system:

Some of the Commission stores are designed less for the convenience and comfort of the purchasers than for the convenience and expense of the store operation.

The involved system for handling a customer's order in most stores results in slow service. During rush-hours and holiday season this often leads to the necessity for queueing at the entrance to stores.

Different brands available should be on display so purchasers could see what may be purchased.

Beer should be purchasable in packages of less than six bottles.

Provision should be made for a home delivery system from Government Liquor warehouses.

On the whole the majority of those who appeared before the Commission preferred the present method of sale of beer, wine and spirituous liquors by the bottle or carton through Government controlled stores for off-premise consumption to any form of license system. The only serious objection offered to the present system was that the permit requirements interfere with the rights and freedom of the individual, or are at least a cause of considerable annoyance and widespread violation of the law in this regard.

The philosophy which justified and explains Government control was discussed at length by Raymond B. Fosdick and Albert L. Scott in their report (Toward Liquor Control) of the study of the liquor problem made under the initiative of John D. Rockefeller, Jr., at the time of the Repeal of Prohibition in the United States. Fosdick, Scott and thirteen associates, looked into liquor control practices in ten countries and in all Canadian Provinces, and at the American experience during prohibition and in various States prior to prohibition. They said in conclusion:

"On the basis of past experience in the United States and abroad, and the practical considerations we have just reviewed, we have come to the conclusion that the most satisfactory solution of the problem of alcohol requires elimination of the private profit motive in the retail sale of liquor.<sup>1</sup> This cannot conceivably be accomplished under a license system, however rigid and well enforced. If we sincerely wish to meet only an unstimulated demand for alcohol, we can no longer leave to an individual a private stake in its retail sale. There is in the licensing of the private selling of liquor an irreconcilable and permanent conflict with social control."

Source: Toward Liquor Control, p. 89-90.

The moral objection to putting the Government into the liquor business was answered as follows:

"Nor is the objection that the authority plan (Government monopoly of liquor sales) puts the Government into the liquor business a valid one. It is based largely on emotion rather than on a realistic facing of facts. For better or for worse the liquor business is here. The private profit motive by which sales are artificially stimulated is the greatest single contributing cause of the evils of excess. It can be eliminated most effectively by state control. A compromise with any system of licensing is a halfway measure out of which at best only partial success can be brought. To insist on some arrangement that will minimize all the dangers of overindulgence, and at the same time to oppose the State Authority system because it identifies the Government with the liquor business, is to be guilty of an inconsistency which cannot be justified on any logical or realistic grounds.

"We prefer the Authority Plan because we believe that if given a fair and honest trial it stands a better chance of success than any other plan we have examined. This does not mean, however, that we regard it as an automatic cure-all for the evils associated with liquor. Nor do we offer it with a warranty that it is foolproof and will succeed under any conditions. It will not work under a regime of mismanagement and mal-administration. Bad management and corruption are very real dangers. There will always be on hand certain representatives of the liquor interests, politicians and "fixers," eager to get control of the Authority in order to influence its policies and to further their own ends. There is no sure protection against such persons other than an alert public opinion focused upon a simple and responsible form of Governmental organization.

<sup>1</sup> "Liquor" as used here means distilled spirits and fortified wine.

"The proposed plan meets these requirements: It is simple in organization, it has direct lines of authority, and it is flexible enough to insure the making of changes, and within the discretion of the directors, as experience points the need.

"In summary, the principal merits which we conceive to be inherent in the State Alcohol Control Authority plan are these:

" 'It would effectively stifle the profit motive for enlarging liquor sales beyond a minimum demand. It would provide freedom of action in regulating prices and conditions of sale, both as a means of checkmating the illicit dealer and as a method of curtailing the use of spirits. It would eliminate the saloon. It would minimize opportunities for the encroachment of political interference. It would keep clear the road for temperance education.

" 'If this plan is adopted and honestly and competently administered, it should give a maximum degree of protection against the revival of age-old abuses known to licensed regulation, and against the more recent evils of a traffic unregulated by Government and managed by law violators'.

As a result of this report and of observation of the system where it was already in effect, seventeen States established monopoly or control systems. These States are:—

|               |                |               |
|---------------|----------------|---------------|
| Alabama       | Idaho          | Iowa          |
| Maine         | Michigan       | Montana       |
| New Hampshire | North Carolina | Ohio          |
| Oregon        | Utah           | Vermont       |
| Virginia      | Washington     | West Virginia |
| Wyoming       | Pennsylvania   |               |

Montgomery County in Maryland also operates under this system.

None of them has abandoned the system, and all seem well satisfied with it.

The monopoly system originated in Norway and Sweden in the late 19th century, and these countries still continue the system, with a tendency at present to even more extensive control of delegated off-premise sale.

The Scandinavian monopoly systems were the result of desperate concern for the excessive drinking in those countries during the last century. In England, where no such excesses existed so recently, off-premise sale has continued under carefully controlled license of private outlets. The same is true of all but the 17 Monopoly States in the United States.

It is very significant that countries like Italy, Switzerland and the Netherlands, which put very little restriction on off-premise sale of beer and wine, issue licenses for off-premise sale of spirituous liquors only under severely restricted conditions.

## Hotel Beer Vendors

Of the three types of off-premise outlets in Manitoba viz.: government stores, brewery "cash and carry" stores and hotel beer vendor outlets, the last handles the major portion of package beer sales.

The Act provides for beer vendor licenses (S. 68) which may be granted to any hotels duly registered under Part IX of the Act or under a by-law of the

City of Winnipeg, and which otherwise comply with the Act's requirements respecting beer (parlor) licenses. A beer vendor's license is authority for the holder thereof (S. 83):

- (a) to purchase beer from the Commission and to have and keep the beer so purchased in that part of the hotel set out in the license and described as a beer depot;
- (b) where the licensee is outside the City of Winnipeg, to sell beer from the beer depot by the carton or container of not less than three pints to the holder of a general permit; and, if specially authorized by the Commission, to sell to a banquet permittee for the consumption in the place mentioned on such permit; and
- (c) where the licensee is in the City of Winnipeg, to sell beer by the carton or container of not less than three pints **to the holder of a general permit who is a bona fine guest in the hotel premises of which the depot is a part**, for consumption in the place mentioned in the permit, and to banquet permittees, where specially authorized, for consumption in the hotel premises.

The same formalities of sale which apply to a liquor store are operative for beer vendors, and the quantities which may be purchased from a liquor store also apply to such depots (S. 84). All beer sold from a beer depot must be delivered to the purchaser on the hotel premises and must be carried away by him to the residence mentioned in his permit (S. 85). The Commission has the same powers over beer depots as it has over liquor stores under S. 9 of the Act. (S. 87).

There is no fixed license fee levied for a beer vendor's license as there is for other licenses permitted under the Act. Such a licensee is required however to pay to the Commission 5 per cent of the cost of all beer he purchases (S. 81.).

At the present time, there are 258 licensed beer vendors in Manitoba. The following tables show the growth of beer vendor outlets and of sales<sup>1</sup> from 1935-1954.

#### NUMBER OF HOTEL VENDORS FOR VARIOUS YEARS 1935-1954

| Year      | Winnipeg<br>City | Winnipeg<br>Suburbs | Other<br>Points in<br>Province | Total |
|-----------|------------------|---------------------|--------------------------------|-------|
| 1935..... | .....            | 8                   | 126                            | 134   |
| 1939..... | 9                | 11                  | 151                            | 171   |
| 1944..... | 27               | 11                  | 177                            | 215   |
| 1949..... | 29               | 15                  | 192                            | 236   |
| 1954..... | 33               | 20                  | 200                            | 253   |

Source: Government Liquor Control Commission.

<sup>1</sup>Since no record of sales is available, figures showing purchases are taken for actual sales for purposes of comparison.

## HOTEL BEER VENDOR SALES FOR VARIOUS YEARS — 1935-1954

| Year      | Winnipeg<br>City | Winnipeg<br>Suburbs | Other Points<br>in Province | Total     |
|-----------|------------------|---------------------|-----------------------------|-----------|
|           | doz.             | doz.                | doz.                        | doz.      |
| 1935..... | -----            | 1,954               | 51,272                      | 53,226    |
| 1939..... | 1,673            | 8,532               | 162,678                     | 172,883   |
| 1944..... | 10,952           | 40,857              | 536,658                     | 588,467   |
| 1949..... | 20,931           | 294,389             | 1,668,242                   | 1,983,562 |
| 1954..... | 28,175           | 545,222             | 1,791,586                   | 2,364,983 |

Source: Government Liquor Control Commission.

The off-premise sales of beer through hotel vendors as compared to sales through other outlets for the year ending March 31st, 1954 were as follows:

| Type of Outlet                        | Gallons   | Percent<br>of Total |
|---------------------------------------|-----------|---------------------|
| Country Hotel Vendors.....            | 1,612,429 | 39                  |
| Suburban Winnipeg Hotel Vendors.....  | 495,200   | 12                  |
| City of Winnipeg Hotel Vendors.....   | 20,857    | .5                  |
| Breweries (direct to permittees)..... | 1,294,884 | 31                  |
| G.L.C.C. Stores (to permittees).....  | 719,711   | 17.5                |
|                                       | 4,133,081 | 100                 |

By administration order, the G.L.C. Commission has set the following maximum prices for sales to permittees from hotel vendors:

|                       |        |
|-----------------------|--------|
| 6 bottle carton.....  | \$1.50 |
| 12 bottle carton..... | \$2.70 |
| 24 bottle carton..... | \$5.00 |

Since the inception of hotel vendor outlets the prices paid and charged by them as compared to the G.L.C. Commission store prices to permittees have been as follows:

| Year      | G.L.C.C.<br>Price to<br>Hotel Vendor | Hotel Vendor Price<br>to Individual<br>Permit Holder | G.L.C.C. Store Price<br>to Individual<br>Permit Holder |
|-----------|--------------------------------------|------------------------------------------------------|--------------------------------------------------------|
| 1934..... | \$3.45 case plus 5% <sup>1</sup>     | \$4.00 case                                          | \$3.60 case                                            |
| 1936..... | \$3.15 case plus 5%                  | \$3.70 case                                          | \$3.30 case                                            |
| 1939..... | \$3.35 case plus 5%                  | \$3.90 case                                          | \$3.50 case                                            |
| 1941..... | \$3.39 case <sup>2</sup>             | \$4.00 case                                          | \$3.60 case                                            |
| 1942..... | \$3.68 case                          | \$4.20 case                                          | \$3.80 case                                            |
| 1944..... | \$3.88 case                          | \$4.40 case                                          | \$4.00 case                                            |
| 1950..... | \$4.42 case                          | \$5.00 case                                          | \$4.50 case                                            |

<sup>1</sup>Case of 24 pints of beer.

<sup>2</sup>Since 1941, G.L.C.C. price to hotel vendors has included 5% supplementary license fee.

## Hours of Sale

Hotel beer vendors, by administrative order of the G.L.C. Commission, observe the same days and hours of sale as beer parlors, that is 10 a.m. to 10 p.m. (Note—By S. 86, the Act sets the hours at 10 a.m. to 11 p.m. The G.L.C. Commission, however, has set the closing hour at 10 p.m. for both beer parlors and beer vendors.)

The establishment of hotel beer vendors' licenses by an amendment to the Government Liquor Control Act in April, 1934, provided a new and increasingly popular outlet for off-premise purchase of beer in the Province. The number of such licenses has increased from the 134 granted in the first year, to 252 in 1955. Especially since 1946 an increasing proportion of the off-premise sale of beer in the Province has been through these outlets, and, as already observed, it constituted 51.5% of such sale in the year 1954. This trend has taken place in spite of the fact that a case of two dozen bottles of beer cost 50 cents more through such outlets. Several facts probably explain this trend.

The primary reason that hotel beer vendors do such a large proportion of off-premise sale of beer is that in many places they are the only outlet. There are beer-vendors in 169 points outside Greater Winnipeg, and in only twelve of these are there Government Liquor Control Commission stores. In six points in the Province there are only beer vendors and no beer parlors. Only a negligible amount of the beer purchased in these places is purchased from G.L.C. Commission stores as it is unusual for a purchaser to buy through a Government store in another town if a hotel beer vendor exists in his district. Because of this, the largest portion of off-premise beer sale in rural Manitoba is through beer vendors.

Ten suburbs in the Greater Winnipeg area have hotel beer vendors in addition to those in the city proper. There are government stores in only two of these ten suburbs. The population of these suburbs do not find Government Liquor Stores as inaccessible as do the rural population, and they have also the advantage of brewery home delivery service. Nevertheless, hotel beer vendors in these suburbs sold 490,700 gallons of beer in 1954, or considerably more than half of the amount (719,911 gallons) sold by all the Government Liquor Stores in the Province.

The second most important factor making for beer-vendor sale is the hours. Hotel vendors remain open after the close of Government Liquor Stores, both in the country and in Winnipeg. This fact makes the beer vendor outlet a natural place to make emergency purchases or purchases at a more convenient hour.

The factor of nearness may act in two ways. First, the hotel may be nearer the purchaser's residence. But in addition, the fact that a drinker is in a beer parlor in a hotel with vending privileges may suggest to him that he take a case home. To the extent that this occurs, it may be said that hotel beer vending stimulates sale of beer. It has been noted that the hotel beer vendor price for a twenty-four bottle carton of beer is fifty cents higher than that charged in G.L.C. Commission stores. This Commission considers this difference to be a departure from the general price policy of the Government Liquor Control Commission, and we suggest that some adjustment should be made.

This Commission heard a request from hotel beer vendors in the City of Winnipeg that they enjoy the same privilege of selling to anyone as is enjoyed in the suburbs of Greater Winnipeg. We feel that this request is reasonable.



## Brewers' Outlets

The third type of off-premise outlet in Manitoba is the brewery warehouse, or, as it is commonly called, the brewery "cash and carry" store. There are six such outlets in Manitoba, all located in Greater Winnipeg on the premises of the six Provincial breweries. Sections 125 and 127 of the Act permit brewery licenses to establish and maintain warehouses and therein to keep beer for delivery and therefrom deliver beer as and when authorized by the Commission. A notation authorizing the establishment of a cash and carry store is made on the license of each brewery desiring such an outlet, the authority to maintain such an outlet being implicit in the granting of the license. (S. 124).

At the present time brewery cash and carry stores are required to close at 8 p.m. This Commission feels that this is discriminatory since hotel beer vendors may sell until 10 p.m. We therefore suggest that brewery cash and carry outlets be granted the same hours as are permitted to hotel beer vendors.

The Act further provides that brewery warehouses may be established only at such places as the G.L.C. Commission prescribes. They may not be internally connected with any other building and must be set up only for the sale and delivery of beer. (S. 126 (2)).

Every warehouse, so far as possible and unless otherwise directed by the G.L.C. Commission, must be used jointly by all brewers who sell beer to the Commission (S. 126 (3)). The method of delivery and all deliveries of beer from such warehouses are under the direction and control of the Commission.

The Act also provides that the Commission "shall make regulations" providing for the purchase of beer by permittees from officials of the Commission in the premises of any brewer licensee where beer is manufactured or sold, or in brewery warehouses, and providing for the purchase **without the production of or the endorsation of the quantity purchased upon the permit.** (S. 50 (3)).

The Commission pointed out in its list of suggested amendments to the Act submitted to the Select Special Committee of the Legislature that they have made no regulations pursuant to this section since the Act came into force, although sales by brewery licensees to permittees have been permitted during all of that time. The Commission suggested, quite correctly, that "the present procedure is open to challenge" since it is not sanctioned by regulation as required. It was suggested, therefore, that this section be amended by striking out the words "shall make regulations" and substituting therefor the words "shall prescribe the method." No action was taken by the Legislature on this point.

The regulations passed pursuant to the Act (Man. Reg. 53/53) deal in part with deliveries of beer from brewery warehouses to permittees. They provide for the means of transportation which breweries may employ for such deliveries and set the hours of delivery at 7 a.m. to 6 p.m. daily (with provisions for deliveries during other hours if authorized by the Commission).

In practice, the brewery warehouse system works generally as follows: Each Manitoba brewery licensed to sell beer to the Commission has since the inception of the Act, maintained on its premises a "warehouse" to handle deliveries to general, special and banquet permittees and to licensed premises. In 1938 the individual breweries received the added privilege of operating "cash and carry"

retail stores for the convenience of the mass of general permittees. Section 126 of the Act was apparently interpreted as being the authority for the granting by the Commission of this additional privilege. However, when the retail store privilege was permitted, the Commission explicitly forbade any retail store to sell any beer other than that manufactured by its parent brewery, with the result that each store was and is operated solely as a wholly owned and controlled outlet of its brewery owner, selling only the beer manufactured by that brewery. (See Minutes of the G.L.C. Commission Meeting of July 7th, 1938.)

This "warehouse" system provided for in the Act was apparently derived from the system obtaining from 1923-26 when breweries were allowed to operate warehouses throughout the Province to take orders for beer from general permittees. In 1926 the Commission took over the operation of these warehouses but apportioned the costs of operation among the breweries on the basis of beer sales made on behalf of each brewery. These warehouses continued to operate under Commission control until the early 1930's when hotel vendors were authorized to sell beer off-sale. Since that time, there have been no actual brewery "warehouses" in operation in Manitoba save for those on the brewery premises themselves. "Warehouse system" is perhaps a misnomer for the present mode of sale from breweries, as the present system bears little relationship to that contemplated by the Act.

One further point of interest is the relationship of Brewery Products Limited, the distributing agency for four of the six Manitoba and some Eastern breweries, to this "warehouse system". Brewery Products Ltd., is a company incorporated in 1936 mainly to establish and operate a central warehouse and delivery agency for the four licensed breweries which own it. It is not a brewery, yet it handled all the deliveries for its four brewery owners, takes all phone orders, etc., and in effect operates as a collective brewery warehouse. It does not, however, operate a retail cash and carry store. Brewery Products Ltd., is granted no license or permit of any kind by the Commission since it is not a "brewery warehouse" within the meaning of the Act. The Commission naturally deals with it as an agent of its four brewery owners, and stations inspectors in its premises to receive orders and supervise deliveries. It is not, however, specifically subject to any regulatory provisions of the Act.

It therefore appears that, while Brewery Products Ltd., is used jointly by four of the Provincial breweries in partial conformity with S. 126 (3) its position in relation to these breweries should be acknowledged in the Act, that is, provision should be made in the Act for the licensing and operation of such a separate company and that the Commission's licensing and other regulatory powers over such a company be clearly stated.

The two breweries which are not affiliated with Brewery Products Ltd., operate their own separate warehouses (including cash and carry stores), and of course handle only their own products respectively.

From all of this discussion, it can be seen that any future Act should be more definitive in its terms insofar as these brewery outlets are concerned so that there will be no doubt as to what type of outlet or outlets a brewery can operate either by itself or in concert with other breweries.

## Volume of Sales

The volume of off-premise sales through brewery outlets from 1924 to 1954 has been as follows:

### BEER SALES BY MANITOBA BREWERY OUTLETS DIRECT TO PERMITTEES 1924-1954

| Fiscal Year | Delivery to Permittees (Gallons) | Brewery Cash and Carry Store Sales to Permittees | Total (Gallons) | Brewery Sale % All Off-Premises Beer Sales |
|-------------|----------------------------------|--------------------------------------------------|-----------------|--------------------------------------------|
| 1924.....   | 2,141,472                        | .....                                            | 2,141,472       | .....                                      |
| 1925.....   | 1,330,781                        | .....                                            | 1,330,781       | .....                                      |
| 1926.....   | 2,096,798                        | .....                                            | 2,096,798       | .....                                      |
| 1927.....   | 2,339,967                        | .....                                            | 2,339,967       | .....                                      |
| 1928.....   | 1,693,034                        | .....                                            | 1,693,034       | .....                                      |
| 1929.....   | 997,398                          | .....                                            | 997,398         | .....                                      |
| 1930.....   | 923,594                          | .....                                            | 923,594         | .....                                      |
| 1931.....   | 746,446                          | .....                                            | 746,446         | .....                                      |
| 1932.....   | 620,232                          | .....                                            | 620,232         | .....                                      |
| 1933.....   | 481,204                          | .....                                            | 481,204         | .....                                      |
| 1934.....   | 445,877                          | .....                                            | 445,877         | .....                                      |
| 1935.....   | 412,502                          | .....                                            | 412,502         | .....                                      |
| 1936.....   | 485,121                          | .....                                            | 485,121         | .....                                      |
| 1937.....   | 478,021                          | .....                                            | 478,021         | .....                                      |
| 1938.....   | 560,444                          | .....                                            | 560,444         | .....                                      |
| 1939.....   | 511,156                          | 71,862                                           | 583,018         | 58%                                        |
| 1940.....   | 516,485                          | 179,519                                          | 696,004         | 60%                                        |
| 1941.....   | 552,864                          | 249,918                                          | 802,782         | 60%                                        |
| 1942.....   | 590,620                          | 326,181                                          | 916,801         | 57%                                        |
| 1943.....   | 471,915                          | 454,887                                          | 926,802         | 53%                                        |
| 1944.....   | 483,071                          | 375,159                                          | 858,230         | 34%                                        |
| 1945.....   | 724,123                          | 647,895                                          | 1,372,018       | 42%                                        |
| 1946.....   | 907,630                          | 774,668                                          | 1,682,298       | 41%                                        |
| 1947.....   | 789,990                          | 521,415                                          | 1,311,405       | 35%                                        |
| 1948.....   | 816,983                          | 425,070                                          | 1,242,053       | 33%                                        |
| 1949.....   | 803,972                          | 386,113                                          | 1,190,085       | 31%                                        |
| 1950.....   | 843,176                          | 390,915                                          | 1,234,091       | 32%                                        |
| 1951.....   | 770,619                          | 382,793                                          | 1,153,412       | 33%                                        |
| 1952.....   | 727,791                          | 397,627                                          | 1,125,418       | 31%                                        |
| 1953.....   | 775,525                          | 474,170                                          | 1,249,695       | 31%                                        |
| 1954.....   | 779,183                          | 505,806                                          | 1,284,989       | 31%                                        |

The present distribution of off-premise beer sale is as follows:

|                             |       |
|-----------------------------|-------|
| (1) Hotel Beer Vendors..... | 51.5% |
| (2) Brewery Outlets.....    | 31.0% |
| (3) G.L.C.C. Store.....     | 17.5% |
| Total.....                  | 100%  |

**Price**

The retail prices set out by the G.L.C. Commission for beer sold by brewery delivery or brewery cash and carry store sales to permittees are as follows:

|                       |        |
|-----------------------|--------|
| 24 bottle carton..... | \$4.50 |
| 12 bottle carton..... | \$2.40 |
| 6 bottle carton.....  | \$1.40 |

**General Comment**

The present system of off-premise sale of beer in this Province including as it does the G.L.C. Commission Stores, hotel beer vendors, brewery cash and carry stores, and brewery home delivery, seems to this Commission adequate, if properly expanded and regulated, to meet all present and future needs for off-premise sale.

**Beer in Grocery Stores**

During the course of the public hearings, numerous submissions, both pro and con, were presented with respect to the off-sale of packaged beer through grocery stores. Our studies reveal that only one Province in Canada, Quebec, utilizes this form of outlet and that there were approximately 3,200 of such outlets licensed there in 1954. Grocery store outlets are quite common in the U.S.A. with New York State as an example having approximately 26,000 stores licensed to sell beer. The main argument in support of the establishment of such outlets in Manitoba was convenience to the public through increased accessibility. Against this, however, were advanced the very cogent arguments that the control problems, especially in relation to minors, would be greatly increased. Dr. E. M. Jellinek in his comments to the Commission on this question stated that "Sale by grocery stores can be very rightly eliminated entirely if your have sufficient outlets through Government Liquor Stores."

It will appear from our discussion of the three types of off-sale outlets that, if properly increased in numbers to meet reasonable demand, the present types of outlets are sufficient to service the public without resort to the opening of new outlets in grocery stores.

While the above observations are true about the distribution of beer, the Commission felt that there were certain inadequacies in the package distribution of liquor in the Province. Some of our rural areas do not seem to be adequately served by the present liquor store outlets, and we suggest that the whole rural outlet picture be surveyed to determine whether new Government outlets should not be established in certain territories. Since it is likely that certain small rural centres will in any case remain distant from any Government Liquor Store which can be economically established, it seems wise to give the Commission authority to designate an agent, preferably a drug store in these territories, to serve as the G.L.C. Commission's representative for the off-sale of packaged spirits and wine.

Additional stores may presently be necessary in Greater Winnipeg, and we suggest that these be placed only where the demand is greatest and where reasonable parking facilities are available nearby.

The delivery service offered under the Government Liquor Control Act, 1923 had certain advantages which recommend themselves to this Commission, and we are recommending that this service be re-established.

We heard a number of requests that the Government Liquor Control Commission Stores in the City of Winnipeg, maintain longer hours than at present. There seemed to be a very real demand for the right to purchase liquor at later hours, and we have therefore recommended that if the demand warrants it, at least one and not more than two liquor stores in the City of Winnipeg be kept open until 2:00 a.m.

## Permit System

Any individual purchasing an alcoholic beverage for off-premise consumption in Manitoba must possess one of the three types of permit issued by the G.L.C. Commission. A permit is defined by the Act as meaning "a written authority issued under this Act for the purchase of liquor pursuant to the provisions of this Act"; and "permittee means the person named as permittee in a subsisting permit". The G.L.C. Commission is given full authority "to issue, refuse, cancel, or suspend" permits under its general powers and has the further authority to exercise such powers as are necessary for administration.

Three types of permit are issued under the Act:

1. **General Permits**—issued to an individual not disqualified under the Act (S. 42 (1)) to purchase liquor for beverage, medicinal or culinary purposes. These permits are issued for a period of one year for the sum of \$1.00 and for such other lesser period or periods at such fee as the Commission prescribes. "Limited period" or "temporary" general permits are issued under authority of this Section for a fee of 50c. The permits are issuable for a maximum term of 30 days.
2. **Special Permits**—issued to an individual to purchase liquor of the kind and quantity and at the time or times set out in the permit for use only in the permittee's profession, business, pursuit, or in an institution, or for sacramental purposes or other special purposes. These permits may be issued to the following:
  - (a) druggists, physicians, dentists or veterinarians;
  - (b) to persons engaged in mechanical, manufacturing, or scientific pursuits in which liquor is required;
  - (c) persons in charge of hospitals, sanatoria, homes for the aged and infirm, and like institutions;
  - (d) priests and clergymen of religious faiths which use wine for sacramental purposes, or to their designated agents (one per clergyman), for sacramental or religious use only.
  - (e) to the holder of a general permit temporarily absent from his place of residence as shown on his general permit. Such a person may be issued a special permit authorizing him to purchase liquor, and

have, keep, give and consume such liquor in a cottage, lodge, tent or camp owned or leased by him, a summer resort or shooting place, or in a hotel or other place for such period as may be designated on the permit. (Note this type of special permit is no longer issued. See the discussion hereunder on temporary changes of residence.)

- (f) where, and as authorized by the regulations, to any person to purchase liquor by a single purchase for any special purpose not otherwise provided for, which purpose must be stated in the permit. (Note there are no regulations on special permits).

- 3. **Banquet Permits**—issued to an individual or any recognized society, association, club, or other duly constituted organization, whether incorporated or not, to purchase liquor from the Commission and to serve such liquor at a banquet.

The Commission cannot issue any permit to the following:

- (1) to any person under 21 years of age;
- (2) to any person already holding a permit unless it is of a different class from the one already issued;
- (3) to any interdicted person or Indian;
- (4) to any person disqualified under S. 58 (2) (i.e., occupant or resident of a disorderly house or residence or anyone convicted under the Act), or otherwise disqualified under the Act;
- (5) to any person whose permit has been cancelled, until at least one year from the date of the cancellation;
- (6) to a corporation, association, society, or partnership (this restriction applies only to general permits since such bodies can acquire banquet or special permits);
- (7) to more than one person resident in a hotel or club, otherwise than as a guest of the hotel or resident member of a club;
- (8) to any person occupying a guest room in a hotel or club **unless** he is a bona fide guest thereof, registered in the office of the hotel as occupying such room as his residence and has baggage and personal effects belonging to him in the hotel and unless the number of the rooms and the name and location (city, town, etc.) of the hotel are shown on the permit. S. 42 (1).

Permits must be issued in the name of the applicant therefor and no permit can be transferred nor can a permittee allow any other person to use his permit S. 43 (1). No permit can be issued until the applicant, in the presence of a member of the G.L.C. Commission or of some person authorized by the G.L.C. Commission or of the official to whom the application was made, has written his signature therein "in the manner prescribed by the regulations" (the regulations in fact do not prescribe any form of signature) for the purpose of his future identification

as the holder thereof S. 42 (2). The signature must then be attested to by a member of the G.L.C. Commission or by the official authorized to issue the permit.

General permits must show the residence, and special and banquet permits the premises, of the permittee and the residence or premises so shown is the only place where liquor purchased under the permit may be delivered, had, or kept S. 45 (1). The permit is valid only so long as the general permittee resides in the residence shown on the permit or the banquet or special permittee occupies the premises therein shown, and is not otherwise disqualified from holding the said permit S. 45 (2).

A person who is a holder of a general permit may not apply for nor be qualified to hold any other general permit except when:

- (1) he has voluntarily surrendered his subsisting and unexpired permit to the Commission and subsequently applies for another; or
- (2) his permit has been lost or destroyed and he subsequently makes proof of said loss or destruction to the Commission and applies for a duplicate permit which is issuable by the Commission for a fee of 50 cents (S. 46).

It should be noted that nothing in the Act can be construed as compelling the G.L.C. Commission to grant or issue any permit or requiring it to give any reason or explanation for its refusal to grant or issue any permit. A permit authorizes the purchase of liquor only if the purchase is in accordance with the provisions of the Act and if the permit is in force.

The G.L.C. Commission has the right to suspend or cancel any permit at its discretion with or without a hearing or assigning any reason therefor. Furthermore the permit of a permittee convicted of an offence under the Act must be suspended forthwith.

Unless sooner cancelled or suspended, every permit expires at midnight on the 31st day of March each year except:

- (a) a permit which according to its terms expires sooner (e.g. banquet or special permits); and
- (b) a permit issued prior to any 31st day of March for a period commencing thereafter; such a permit expires at midnight on the 31st day of March of the year following the commencement of such period, unless, according to its terms it expires sooner.

The kinds and quantities of liquor which can be purchased by a general permittee from off-sale premises have already been discussed under the heading "Government Liquor Stores—General Operation." The Act also provides the kinds and quantities purchasable under special permits as follows:

- (1) to a physician for use in his profession only, liquor not exceeding 2 quarts at any one time or in any one week;
- (2) to a dentist for use in his profession only, liquor not exceeding 2 pints at any one time or in any one week;

- (3) to a veterinary for use in his profession only, liquor not exceeding 1 gallon at any one time or in any one week;
- (4) to a person in charge of a hospital, sanitorium, or home for the aged and infirm, liquor not exceeding 5 gallons at any one time;
- (5) wine for sacramental purposes, alcohol, or liquor for mechanical, scientific or manufacturing (including dispensing or pharmaceutical) purposes, liquor for a banquet, and for any special purposes, the kind and quantity set forth in the permit.

The formalities to purchase from a liquor store on a special permit authorizing only a single purchase or on a prescription are as follows:

- (1) the purchaser must give a written order to the Commission similar to that given by a general permittee (the formalities to purchase on a general permit are discussed under the topic "Method of Sale");
- (2) the purchaser must produce, or in the case of mail order, send his permit or prescription for inspection and retention by the Commission;
- (3) the purchaser must pay for the liquor in cash;
- (4) a record must be made by the Commission showing the time of the purchase, the name and address of the purchaser and the kind and quantity of liquor sold.

In addition to these requirements, the G.L.C. Commission has established the policy that all purchases made on special permits in the Greater Winnipeg area, unless otherwise directed, must be made through the head office store. Special conditions, are laid down in Sections 61 to 66, as to the uses to which liquor may be put by those acquiring it on special permits.

It should be particularly noted that by S. 39 (b) (v), authority is given for the G.L.C. Commission to issue a special permit to a general permittee who wishes to make a temporary change of residence to a summer camp, etc. This procedure is not, however, followed by the G.L.C. Commission since it was found to be cumbersome in operation. The G.L.C. Commission in its list of suggested amendments presented to the Select Special Committee of the Legislature pointed out that since 1934 the policy has been to provide forms on general permits for the endorsation of particulars of temporary changes of residence. The registration must be made by an authorized office of the Commission or hotel vendor and is valid for the period shown in the permit. This system has been successful in operation, according to the G.L.C. Commission. The G.L.C. Commission recommended that S. 39 (b) (v) be repealed and that a new section be substituted therefor, giving legal sanction to the system in use. No action was taken on this recommendation, however, with the result that the present policy relating to temporary changes of residence is still not validated by the Act.

### **Banquet Permits**

Banquet permits may be issued by the G.L.C. Commission when and as authorized by the regulations passed pursuant to the Act. The quantity and kinds of liquor purchasable by a banquet permittee are determined by the Commission



S. 41 (1). The G.L.C. Commission's general administrative policy in this connection is based on the estimated attendance, the quantities authorized being approximately:

- (a) 40 ounces of draft beer or 3 to 4 bottles of beer per person; or
- (b) 5 ounces of wine per person; or
- (c) 3 to 4 ounces of spirituous liquor per person.

(S.41(2) )

If beer, wine and spirits are all desired to be served at the banquet, then a proportional reduction in the above quantities is made.

Similarly, by S. 41 (2) the G.L.C. Commission has provided that spirits and wine must be purchased in Greater Winnipeg from the head office store or the liquor store designated on the permit. Direct purchases of beer from breweries is not permitted. All orders in Greater Winnipeg must be placed at the head office; and elsewhere, at the nearest branch store. If an order for beer is approved, it is then forwarded by the G.L.C. Commission to the brewery concerned for delivery or shipment. Hotel beer vendors may be authorized by the G.L.C. Commission to supply beer for banquets held outside the City of Winnipeg (S. 83 (b)).

Not more than two banquet permits can be issued to the same person or to, or on behalf of, the same organization in one year (S. 41 (3)). An application for such a permit must show the place and time of the banquet, the number of persons expected to attend, and must be signed by the individual applicant or, in the case of an organization, by three of its officers (who thereupon become individually responsible for the lawful use of the permit (S. 41 (4))). The application must be received by the G.L.C. Commission at least seven days prior to the date of the banquet, or within such shorter period as the G.L.C. Commission in its discretion deems to be sufficient, having regard to the circumstances of the case. A fee of \$2.00 must accompany each application. The place and time of the banquet may be subsequently varied, subject to the approval of the G.L.C. Commission.

The Act also provides that all liquor had at a banquet must be purchased from the G.L.C. Commission (this requirement varies from the G.L.C. Commission's policy on beer) and must be delivered, had, kept, consumed and accounted for in accordance with the direction of the G.L.C. Commission. No banquet at which liquor is served can be held in any room in which meals are being served to the public at the same time as the banquet is being held (S. 41 (5)).

By Manitoba Regulation 53/53, the following conditions also attach to the issuing of banquet permits:

- (1) The Commission following application therefor in prescribed manner may issue a banquet permit provided that the premises where the banquet is to be held:
  - (a) are suitable for the holding of a banquet and so constructed and equipped as not to facilitate any breach of the Act;
  - (b) are adequately equipped with suitable sanitary facilities;
  - (c) comply in all respects with such fire prevention measures as may be required by local authorities (S. 11).

- (2) Banquet permittees are held directly responsible for insuring that a banquet is conducted in accordance with the following conditions:
- (a) no liquor other than liquor purchased under authority of a banquet permit can be had, kept, or consumed at a banquet;
  - (b) the premises or part thereof where the banquet is held must be reserved exclusively for the use of the banquet permittee and those persons invited to the banquet. The general public must be excluded. No notice, display, announcement or advertisement about or concerning a banquet can be made without first obtaining written approval of the Commission.
  - (c) no person under 21 years of age can be served or permitted to consume liquor at a banquet;
  - (d) no intoxicated person can consume liquor nor be allowed to remain on the premises where a banquet is being held;
  - (e) liquor cannot be sold either directly or indirectly at a banquet; except that, where permitted by the Commission, a charge may be made to persons attending a banquet and such charge must cover all expenses to a guest at the banquet including all liquor served, and no other or additional charge or donation can be made or accepted whereby additional liquor may be obtained by a guest at the banquet;
  - (f) no liquor purchased under the authority of a banquet permit can be removed from the premises. At the conclusion of a banquet all liquor remaining unconsumed must be held in safe custody on banquet premises until it is returned to the Commission or otherwise dealt with as the Commission may direct in writing (S. 12).

Neither the Act nor the regulations contain a definition of the term "banquet" with the result that there is no standard requirement for the type or quantity of food which must be served by a banquet permittee. There is, in fact, no specific requirement in the legislation, except by inference, that food must be served by a banquet permittee. The banquet permit application does require the applicant to show the estimated expenditure on food and the kind of food to be served. However, the permit itself makes no reference to the fact that food will be served. In practice, some sort of food is served at all "banquets" although it ranges from snacks to full course dinners. The G.L.C. Commission, furthermore, will not issue a banquet permit unless food is to be served at the banquet.

### **Records of Sale**

The Act requires that the G.L.C. Commission keeps records of each sale and disposal of liquor made by it, showing the time when, the name and address of the person to whom the sale was made, and the kind and quantity of liquor sold. Special permittees must also maintain records showing their purchases, sales, and disposals of all liquor.

The G.L.C. Commission in accordance with Section 3, sub-section 19, maintains a complete record of all purchases made on permits of every class. As

the great preponderance of purchases made are in the Greater Winnipeg area, the bulk of purchase records are at the Head Office of the G.L.C. Commission, though each branch office of the Commission outside the Greater Winnipeg area maintains a record of purchases made through the store. The purchases recorded are:

- (1) Purchases made at Commission Liquor Stores;
- (2) Purchases made at Brewery Retail Stores;
- (3) Purchases made through Brewery Delivery Service;
- (4) Purchases made at Beer Vendor Depots in hotels licensed by the Commission;
- (5) Mail orders received by the Commission for shipment either by express or mail.

Records of all purchases made by permittees through the above avenues of sale are consolidated in one master record. Information of such purchases is made available to the following law enforcement and social welfare authorities on request:

- (1) Royal Canadian Mounted Police;
- (2) Municipal Police Authorities;
- (3) Crown Attorneys;
- (4) Chief Inspector, The Government Liquor Control Act, 1928;
- (5) Public Welfare Departments of Municipalities.

The total number of each class of permit issued for the fiscal year ending March 31st, 1954, shown in the following tables:

| Class                                       | Total<br>Issued | Fee    | Total<br>Fees |
|---------------------------------------------|-----------------|--------|---------------|
| Banquet Permits.....                        | 9,209 x         | \$2.00 | \$ 18,418.00  |
| General Yearly Permits.....                 | 183,020 x       | 1.00   | 183,020.00    |
| Limited Period General Permits.....         | 70,160 x        | .50    | 35,080.00     |
| Physician, Dentist and Veterinary Permits.. | 13 x            | .50    | 6.50          |
| Manufacturing Permits.....                  | 106 x           | .50    | 53.00         |
| Sacramental Permits.....                    | 463             | Nil    | -----         |
| Hospital Permits.....                       | 51              | Nil    | -----         |
| Duplicate Permits.....                      | 9,357 x         | .50    | 4,628.00      |
|                                             | 272,279         |        | \$241,206.00  |

The number of orders for purchase of liquor, wine and beer, on permits of all classes for 1954 were as follows:

|                                                    |           |
|----------------------------------------------------|-----------|
| Personal purchase from Commission Stores.....      | 2,930,316 |
| Purchases delivered by Commission.....             | 5,000     |
| Purchases shipped by Railway Express.....          | 25,311    |
| Purchases shipped by Parcel Post.....              | 376       |
| Personal purchases from Brewery Retail Stores..... | 339,586   |
| Purchases delivered by Brewery.....                | 296,005   |
| Purchases from Hotel Beer Vendors.....             | 1,576,767 |
| Total                                              | 5,173,361 |

The number of permits issued to individuals since 1928 is shown in the following table:

| Year         | Full Term | Limited Period<br>(up to thirty days) |
|--------------|-----------|---------------------------------------|
| 1928-29..... | 84,819    | .....                                 |
| 1929-30..... | 83,184    | .....                                 |
| 1930-31..... | 74,308    | .....                                 |
| 1931-32..... | 61,410    | .....                                 |
| 1932-33..... | 47,328    | .....                                 |
| 1933-34..... | 42,536    | .....                                 |
| 1934-35..... | 46,029    | .....                                 |
| 1935-36..... | 52,829    | .....                                 |
| 1936-37..... | 59,321    | .....                                 |
| 1937-38..... | 65,336    | .....                                 |
| 1938-39..... | 52,624    | 82,418                                |
| 1939-40..... | 46,585    | 175,997                               |
| 1940-41..... | 45,121    | 233,624                               |
| 1941-42..... | 53,747    | 332,204                               |
| 1942-43..... | 128,934   | 328,202                               |
| 1943-44..... | 249,331   | .....                                 |
| 1944-45..... | 258,149   | .....                                 |
| 1945-46..... | 268,440   | .....                                 |
| 1946-47..... | 226,616   | .....                                 |
| 1947-48..... | 195,275   | .....                                 |
| 1948-49..... | 195,149   | .....                                 |
| 1949-50..... | 197,272   | .....                                 |
| 1950-51..... | 194,825   | .....                                 |
| 1951-52..... | 201,393   | .....                                 |
| 1952-53..... | 185,504   | 42,400                                |
| 1953-54..... | 183,020   | 70,160                                |

A study of the above table indicates several interesting facts. First, the number of general permits dropped from 84,819 for the fiscal year 1929, to 42,536 in 1934, and throughout the depression years the numbers remained low. This relationship between the economic status of the people and their consumption of liquor is well known, and a similar decline is shown in all liquor statistics for this period.

In the war years, "limited period" permits were issued. These increased in number as the transient population increased, but their number had already started to decline when the system was abandoned. This type of permit has been reintroduced as a result of the recommendation of the Select Special Committee of 1952, but only 70,160 were issued for the fiscal year 1954. It should be noted that this type of permit is provided for the convenience of the tourists and travelling public, who would otherwise find the Manitoba system exceedingly onerous.

In 1943 the G.L.C. Commission instituted a rationing system to provide more equitable distribution of the limited supply of liquor available. During the

# STATISTICS SHOWING CONTROL EXERCISED THROUGH PERMIT SYSTEM

| Fiscal<br>Year | General Permits<br>Issued |         | General Permits |           |            | Prohibited Place |           | Interdiction Orders |           | Permittee by<br>Record of<br>Purchases<br>Prepared as<br>Aid to Law<br>Enforcement<br>and Welfare<br>Agencies |
|----------------|---------------------------|---------|-----------------|-----------|------------|------------------|-----------|---------------------|-----------|---------------------------------------------------------------------------------------------------------------|
|                | Yearly                    | Limited | Cancelled       | Suspended | Reinstated | Issued           | Rescinded | Issued              | Rescinded |                                                                                                               |
|                |                           |         |                 |           |            |                  |           |                     |           |                                                                                                               |
| 1928-29.....   | 84,819                    | .....   | 1,161           | 1,029     | 99         | .....            | ....      | 58                  | ....      | Not available                                                                                                 |
| 1933-34.....   | 42,536                    | .....   | 59              | 838       | 100        | 17               | ....      | 17                  | 7         | Not available                                                                                                 |
| 1938-39.....   | 52,524                    | 82,418  | 48              | 7,731     | 68         | 13               | 3         | 13                  | 3         | Not available                                                                                                 |
| 1943-44.....   | 249,331                   | .....   | 945             | 1,335     | 166        | 28               | 36        | 38                  | 5         | 199                                                                                                           |
| 1948-49.....   | 195,149                   | .....   | 1,514           | 1,660     | 214        | 126              | 53        | 105                 | 31        | 572                                                                                                           |
| 1953-54.....   | 183,020                   | 70,160  | 909             | 3,177     | 343        | 71               | 96        | 145                 | 68        | 386                                                                                                           |

time rationing was in effect, permits increased to a high of 268,440 in 1946. The rapid decline in the two years following the end of ration makes it quite clear that this increase was the result simply of the purchase of permits by those who usually did not hold permits but who were willing to accommodate friends or contribute to an increase in the purchase allowed to the family.

Note having been taken of these variations in the number of permits issued, it is proper to say that there has been a regular increase in permits since 1928. (The decline in the last two years is compensated for by the restoration of the "limited period" permits). This increase has been proportionally greater than the increase in population during the period.

It may, then, be said with reasonable assurance that a greater percentage of our population drink than did when the Act was passed.

## Control by Permit

One of the purposes of the permit system is to provide certain control on individuals given to excess or abusive use of alcohol. The foregoing and the following tables present evidence that the system has been used for this purpose.

In a letter to the Commission regarding this table, W. B. Axford, Superintendent of License and Permit Department, added the following information:

"... There is no record maintained by the Commission of personal attendance at the Commission by responsible Police Officers, or Public Aid Officials for the purpose of consulting records, or telephone enquiries for same purpose. A conservative estimate would place this assistance given as two or three times weekly. Of late there has been considerable increase in number of enquiries by Winnipeg Civic Relief Department."

The causes of suspension were as follows:

| Permits Suspended for<br>the Following Reasons:               | 1951-52 | 1952-53 | 1953-54 | 1954-55 | Totals |
|---------------------------------------------------------------|---------|---------|---------|---------|--------|
| Section 204                                                   |         |         |         |         |        |
| (Conviction of Permittee).....                                | 1,044   | 1,249   | 1,318   | 1,252   | 4,863  |
| Section 58, Sub-sec. (2)                                      |         |         |         |         |        |
| (Permittee resident in premises of<br>convicted persons)..... | 302     | 260     | 203     | 179     | 944    |
| Section 28, Sub-sec. (1)                                      |         |         |         |         |        |
| (Direction of Commission).....                                | -----   | 2       | -----   | 20      | 22     |
| Section 37                                                    |         |         |         |         |        |
| (Residence made a prohibited place<br>for liquor).....        | 166     | 137     | 121     | 243     | 667    |
| Miscellaneous Sections of the Act.....                        | 2       | -----   | -----   | 3       | 5      |
| Recommendations of Chief Constable,<br>Winnipeg.....          | 129     | 138     | 112     | 57      | 436    |
| Recommendations of R.C.M.P.....                               | 191     | 220     | 187     | 188     | 786    |
| Recommendations of other authorities                          | 17      | 14      | 23      | 16      | 70     |
| Recommendations of Public Welfare<br>authorities.....         | 358     | 239     | 304     | 342     | 1,243  |
| Totals.....                                                   | 2,209   | 2,259   | 2,268   | 2,300   | 9,036  |

The causes of cancellation were as follows:

| Permits Cancelled for<br>the Following Reasons: | 1951-52 | 1952-53 | 1953-54 | 1954-55 | Totals |
|-------------------------------------------------|---------|---------|---------|---------|--------|
| Section 46                                      |         |         |         |         |        |
| (Application for 2nd permit).....               | 1,632   | 931     | 769     | 709     | 4,041  |
| Section 156                                     |         |         |         |         |        |
| (Interdiction of Permittee).....                | 72      | 75      | 78      | 88      | 313    |
| Section 42 (1) (a)                              |         |         |         |         |        |
| (Minors).....                                   | 21      | 34      | 33      | 28      | 116    |
| Section 42 (1) (c)                              |         |         |         |         |        |
| (Indians).....                                  | 7       | 16      | 21      | 27      | 71     |
| Section 28 (1)                                  |         |         |         |         |        |
| (Discretion of Commission).....                 | 4       | 1       | 5       | 8       | 18     |
| Section 204                                     |         |         |         |         |        |
| (Conviction of Permittee).....                  | -----   | 1       | -----   | -----   | 1      |
| Recommendation of R.C.M.P.....                  | -----   | -----   | -----   | 26      | 26     |
| Recommendation of other authorities             | -----   | -----   | 3       | -----   | 3      |
| Totals.....                                     | 1,736   | 1,058   | 909     | 886     | 4,589  |

In addition to the annoyance that it is alleged the permit system causes to the general public, the control it exerts is achieved at the cost of the total administration of the system. While the revenue derived from General Permits in the fiscal year, 1954 was \$222,149.50, the estimated cost of administration was \$275,460.00. The total cost of the administration of the G.L.C. Commission for the same year was \$1,338,895.00. It will be noted that the estimated cost of administration of permits is \$53,310.00 in excess of the amount paid for permits. In this connection, however, it should be observed that some of the persons involved in the administration of the permit system are engaged in other duties as well; and the discontinuance of the permit system would therefore, not eliminate all costs here ascribed to its administration.

In order to have some picture of the use that is made of permits, a study was made of approximately 5,000 homes on representative streets in Greater Winnipeg. It was found that permits were held in 79% of them. A study of a sample of over 700 homes in representative rural areas showed that permits were held in 41% of them. The homes having permits varied from 24% in one area, to 53% in another. These figures provide no precise picture beyond the certainty that permits are more widely used in city than in the country.

The permit system has been widely used in Canada. When it was introduced in 1920, eight provinces out of nine employed it. At present four provinces (New Brunswick, Quebec, Saskatchewan and British Columbia) do not require permits for the purchase of liquor by individuals. The other provinces have permit systems similar to Manitoba, although in Ontario the permit is required only for the purchase of spirituous liquors. The chief difference between the Manitoba system and

that of other provinces is the master recording system which Manitoba keeps of all purchases on each permit.

Only five states of the United States have permit systems; and in most cases permits are used chiefly for identification purposes. This has been considered of some value as a check on drinking by minors.

Norway, Sweden, and Finland have used the permit system, and of these systems the most famous has been the Swedish. The "motbok" as the permit was called in Sweden was established by law in 1917 to become effective in 1919. It was conceived by Dr. Bratt, an eminent Swedish physician, who had made extensive study of liquor control. The "motbok" was instituted for the purpose of exercising control on individual consumption, especially where abuse was involved, and particularly in the case of alcoholics. In 1955 this famous system was abandoned, the greatest support for this move coming from the temperance forces.

Three principal reasons are offered for the failure of the "motbok":

1. Those coming into conflict with the law were for the most part without "motboks" and were acquiring liquor illegally. It was estimated that more than 90% of the alcohol consumed by alcoholics was illegally obtained. This means that the system had been found inadequate in one of its primary functions—keeping alcohol from the problem drinker.
2. "Motbok" holders seemed to feel that the system granted a right rather than a privilege. This view encouraged purchase of the entire quota, where, without the system, the purchases might well have been smaller.
3. The imposition of what was considered an unreasonable restraint caused otherwise law-abiding citizens to try to circumvent the law and defeat the purpose of motbok of permit policy.

Dr. E. M. Jellinek suggested to this Commission that it consider well the nuisance aspect of the permit system in the light of such ends as it accomplished before recommending its continuance.

## **Manitoba Opinion**

Most presentations before this Commission either opposed the permit system or suggested modification. The strongest voice against the system came from the Chamber of Commerce Groups, including the Winnipeg Chamber of Commerce and sixty-five Chambers of Commerce throughout the Province. Replies to questionnaires sent out to the membership of the Chambers indicated that about two-thirds of their membership were opposed to the permit system and felt that it should be abolished.

Tourist groups presented similar objections. Answers to a questionnaire sent out in 1954 by the Travel and Publicity Bureau of the Department of Industry and Commerce indicated that many tourists bought no liquor at all or made some purchases illegally because of the annoyance of the permit system. Individual comments made on the questionnaires indicate clearly that tourists find the permit



system an annoyance and inconvenience. Four branches of the Manitoba Tourist Association were opposed to the permit system on the ground that it was an annoyance to their tourist guests.

This Commission was informed repeatedly by those who appeared before us that violations of the residence requirement of the permit were very numerous. It was pointed out that liquor legally purchased by permittees is illegally consumed in night clubs, dance halls, hotels, offices, summer cottages, on hunting trips, at sports events and in the homes of friends.

Executives of the Winnipeg South Young Liberals Association expressed the view of many in saying:

It is quite common for persons to use other liquor permits in purchasing beer and liquor and to sign their friends' names to orders, and it is common for one person to buy liquor on his own permit for another's use.

We were told that executive, professional and business men were often guilty of this offense, delegating purchase on their permits to junior clerks to avoid inconvenience.

A third common violation of the system brought to our attention was the giving of gifts in violation of the permit regulations. This was said to be general during the holiday season.

Generally speaking, the majority of police representatives and certain of the administrative officials felt that the permit system was of value for law enforcement purposes. Some representations from the public also expressed the view that the system was useful in law enforcement and as a control aid.

**Banquet Permits**

The number of Banquet Permits issued has increased from 1,220 in 1928, to 9,209 in 1953. The number of years was as follows:

| Fiscal<br>Year | Number<br>Banquet<br>Permits | Fiscal<br>Year | Number<br>Banquet<br>Permits | Fiscal<br>Year | Number<br>Banquet<br>Permits |
|----------------|------------------------------|----------------|------------------------------|----------------|------------------------------|
| 1929.....      | 1,220                        | 1938.....      | 2,483                        | 1947.....      | 6,136                        |
| 1930.....      | 1,405                        | 1939.....      | 2,966                        | 1948.....      | 6,783                        |
| 1931.....      | 1,438                        | 1940.....      | 3,328                        | 1949.....      | 7,648                        |
| 1932.....      | 1,257                        | 1941.....      | 2,962                        | 1950.....      | 8,143                        |
| 1933.....      | 1,191                        | 1942.....      | 3,272                        | 1951.....      | 7,884                        |
| 1934.....      | 1,160                        | 1943.....      | 3,117                        | 1952.....      | 8,406                        |
| 1935.....      | 1,423                        | 1944.....      | 3,472                        | 1953.....      | 8,809                        |
| 1936.....      | 1,802                        | 1945.....      | 4,515                        | 1954.....      | 9,209                        |
| 1937.....      | 2,085                        | 1946.....      | 5,649                        |                |                              |

Of the 9,209 banquet permits issued in the fiscal year 1954, 70% were in the Greater Winnipeg area and 30% were issued for other points in the Province. Of these permits 40% were issued for functions related to weddings; 37% were for receptions by individuals, associations and business firms; and 23% for clubs and other organizations. The liquor consumption at functions covered by banquet permits in 1954 was:

|              |                    |
|--------------|--------------------|
| Beer.....    | 225,870 gallons;   |
| Wine.....    | 3,505 gallons; and |
| Spirits..... | 8,617 gallons.     |

This represents less than 2% of all sales of alcoholic beverages in the Province.

Factors contributing to the large increase in the number of banquet permits in the last ten years were probably:

- (a) the general increase in prosperity;
- (b) some increase in population;
- (c) the prevention of illegal banquets by stricter enforcement; and
- (d) better law observance with respect to permits by the more reputable hotels and other banquet places.

There was some objection made to banquet permits in briefs presented before this Commission, but most often argument was presented for modification of some of the regulations concerning such permits. It was argued, for example, that limiting banquet permits to two per year caused reputable persons and organizations to resort to subterfuge to obtain more than two permits in any year in which more were required. It was also suggested that a clear definition of the term "Banquet" would be helpful. The Canadian Pacific Railway brief suggested that "the current practice of issuing banquet permits be modified so as to eliminate the necessity of securing such permits for functions held on premises having a license".

Several witnesses reported that violations of banquet permit were not infrequent and that more inspections were needed if violations were to be reduced. The Chief Inspector of the G.L.C. Commission agreed with this and pointed out the consequent necessity of a larger staff of inspectors.

The common violations of banquet permit regulations were said to be:

Serving of minors;

Sale for profit;

Illegal source of supply;

Misrepresentation of the numbers to be present for the purpose of obtaining more liquor; and

Failure to account for liquor purchased under a banquet permit.

It should be noted in addition that there have been a number of cases of gambling at "banquets", and this presents a special law enforcement problem.

The need for any arrangement such as banquet permit is met in part in some countries by extension of license to such parts of already licensed premises as are suitable for banquets. The English, who have this arrangement, still feel the need for "occasional license", their equivalent of the "banquet permit".

The Royal Commission on Licensing said in their report:

"We are satisfied that facilities of the type afforded by the occasional license are a useful and convenient part of the licensing structure. Without them all celebrations such as public dinners, dances, and the like, would, if it was desired to supply intoxicants, require to be held in licensed premises which, if available, are not always suitable for the purpose." (Para. 620.)

If the restaurant beer and wine licenses, and dining room liquor licenses are issued in Manitoba, it is possible that premises with such licenses may be used occasionally for banquets. It seems certain however that most banquets will continue to be conducted as they have been in the past. We are therefore recommending that occasional permits be issued to cover such affairs, and that in general the regulations concerning profit and inspection of the premises be continued. We see no reason however why the holder of a permit should not be permitted to sell liquor to guests on the premises covered by the permit providing he makes no profit. If such is the intention of the permittee it must be stated on the application, together with the price at which the liquor is to be sold.

Representations were made to the Commission that many reputable organizations wished to hold more banquets than are permitted under the present law. The present restriction seemed unnecessary to this Commission, and we therefore suggest that the number to be issued be left to the discretion of the Government Liquor Control Commission.

## RECOMMENDATIONS

### Method of Sale:

#### Terms of Reference Instruction 9 (1) (a)

1. That the basic policy of Government monopoly over the sale of all packaged liquors through Government controlled and operated liquor stores for consumption off the premises be maintained.
2. That the G.L.C. Commission be enlarged to a three member commission as now permitted by law, consisting of a full-time Chief Commissioner and two part-time Deputy Commissioners. (See Reservations).
3. That the Licensing Board be continued as a five member Board with the membership to consist of the three G.L.C. Commissioners plus two private citizens. (See Reservations).
4. That in the interest of more equitable service to all parts of the Province, the G.L.C. Commission survey the present liquor store outlets with a view to determining the need for stores in those areas which are now inadequately served—e.g., the Swan River Valley, Southern Manitoba, the Inter-lake region and certain of the larger communities near the Saskatchewan and Ontario boundaries.
5. That in any small rural centre which is a considerable distance from larger centres having Government liquor stores and in which it would

not be economically advisable to expend public monies on new liquor store outlets, the G.L.C. Commission be given authority to designate one agent, preferably a drug store, as its representative for the off-sale of packaged spirits and wine.

6. That if additional stores should be considered necessary in the City of Winnipeg and suburban areas, these be placed only where the demand is greatest, and where reasonable parking facilities are available nearby.
7. That a delivery service of liquor be re-instituted by the G.L.C. Commission, the details of such service to be determined by the Commission.
8. That, in the event of a delivery service being established, telephone orders for liquor purchases be accepted as formerly by the G.L.C. Commission and that appropriate delivery charges be levied on C.O.D. orders.
9. That during such times of heavy sale as Christmas and New Year's etc. when crowding of liquor stores is common, all Government liquor stores be kept open for business for longer hours, and that the public be duly advised of these longer hours through the placing of suitable advertisements in local papers.
10. That the mark-up on wines by the G.L.C. Commission be graduated according to alcohol content without regard to the country of origin.
11. That the G.L.C. Commission make beer available for sale in quantities of less than six bottles.
12. That the G.L.C. Commission designate on their retail price lists which wines are fortified and which are natural.
13. That the G.L.C. Commission maintain a reasonable limitation on the maximum quantity of liquor purchasable by a person in one day, having in mind that the present maximum restrictions have been reasonably well accepted by the public.
14. That subject to the above limitation, the administrative restriction to one case of beer per day to a purchaser on a cash and carry basis be removed.
15. That the higher retail prices established for beer in certain Northern points in the Province be reviewed by the G.L.C. Commission to assure that these beer prices are proportionately no higher than the prices charged for other commodities or services in these remote areas.
16. That, for the purpose of maintaining good trade relations between Canada and the United Kingdom, the G.L.C. Commission review the mark-ups on imported Scotch whisky and domestic whiskey with a view to ending any discrimination which presently exists against imported whiskey.

17. That the G.L.C. Commission no longer be required to wrap or enclose in sealed cartons or packages all liquor dispensed in Government liquor stores, and that the liquor store stocks be so arranged as to enable purchasers to see the selections of liquors available for purchase.

### **Permit System:**

#### **Terms of Reference Instruction 9 (1) (b)**

1. That the individual general permit system be discontinued.
2. That every person desiring to purchase liquor from a Government liquor store be required to complete an order form showing his name, address, date of purchase, and the amount and price of the liquor to be purchased.
3. That purchasers be required to produce identification when requested so to do by liquor store clerks; and that authority be given to the G.L.C. Commission to demand proof of age from any prospective purchaser whose age may be in doubt, the onus to be on the purchaser to prove that he is not a minor before any sale is made to him.
4. That the consumption of liquor purchased from off-premise outlets be legally permitted only in bona fide residences and that its consumption be forbidden in public places and in motor vehicles of any description; and that the definition of the term "residence" as contained in the present Act be enlarged to include the lands or grounds appurtenant to the dwelling which are essential or appropriate for the convenient use, occupation and enjoyment thereof as a private dwelling.
5. That distilleries, wineries, breweries, licensed premises, and the servants, employees and agents thereof be forbidden to make gifts of liquor, but that otherwise gifts of liquor in such limited quantities as are determined by the Commission be not prohibited where:
  - (a) The donor is in lawful possession of the liquor; and
  - (b) The donee is a person permitted under the Act to purchase and consume liquor.
6. That the term "Occasional Permit" be substituted for the term "Banquet Permit".
7. That occasional permits be not issued for any event at which the making of profit is permitted.
8. That the staff of the Chief Inspector be increased in order to carry out more thorough inspection of premises holding occasional permits as well as other licensed premises.
9. That the number of occasional permits issuable in one year to any person or organization be left to the discretion of the G.L.C. Commission, but that in exercising this discretion, The Commission take all

practicable steps to prevent the abuse of such permits through the selling of liquor for profit and through sales to minors.

10. That the holder of an occasional permit be allowed to sell liquor by the glass to guests in premises covered by the permit provided that the permittee does not sell the liquor for a price in excess of cost plus handling and servicing charges.
11. That all applicants for occasional permits be required to state whether they intend to charge for liquor at the event covered by the permit and, if so, the price at which the liquor is to be sold.
12. That the Commission, at its discretion, may either have returned or permit occasional permittees to retain, or dispose of, small quantities of liquor remaining at the close of the event covered by the permit.
13. That the food requirements for events covered by occasional permits be left to the discretion of the G.L.C. Commission, such requirements to be suitable to the type of occasion covered by the permit.

### **Hours of Sale:**

#### **Terms of Reference Instruction 9 (1) (c)**

1. That the hours of sale for existing outlets and new types of outlets be as follows:
  - (a) Government Liquor stores—hours of sale to be set by regulation of the G.L.C. Commission.
  - (b) Hotel beer vendor licenses—10 a.m. to 10 p.m.
  - (c) Brewery cash and carry store licenses—10 a.m. to 10 p.m.
2. That, should demand warrant, the G.L.C. Commission keep open until 2 a.m. daily at least one and not more than two liquor stores in the City of Winnipeg.

### **Beer in Grocery Stores:**

#### **Terms of Reference Instruction 9 (4)**

1. That, in view of the adequacy of the present outlets for the off-sale of beer, the proposal for the sale of beer by grocery stores be not approved. (See Reservations.)

### **Beer Vendors:**

#### **Terms of Reference Instruction 9 (4)**

1. That it be made mandatory that representative brands of bottled beer from all breweries operating in Manitoba be available for purchase in all hotel beer vendor outlets except where a brewery does not wish its beer to be carried by particular beer vendors.

2. That such beer vendor licensees in the City of Winnipeg as are considered suitable by the G.L.C. Commission be granted the privilege of selling beer to the general public for off-premise consumption as is now permitted to beer vendor licensees outside the City of Winnipeg.

## **Transportation :**

### **Terms of Reference Instruction 9 (4)**

1. That, in concurrence with the submission of the Manitoba Trucking Association, properly licensed public service vehicles transport carriers be recognized as "common carriers" for the purpose of being eligible to transport beer, wine and spirituous liquors for the G.L.C. Commission.

## **RESERVATIONS by Mr. Bracken**

### **Regarding Recommendation 2, Method of Sale.**

I am of the view that, having regard to the vastly increased responsibilities and the greatly increased volume of business of the Government Liquor Control Commission (now ten times the dollar volume that it was thirty years ago), it would be a mistake to have two part-time Deputy Commissioners, rather than two full-time officials of that designation. Having two full-time Deputy Commissioners would in my view greatly increase the strength and value of the Commission without much increase in cost and it would to some degree lessen the number of the more important permanent officials.

From my experience, part time officials are worth much less to an organization than the relation their salaries bears to the salaries of full time officials. Besides there is great need for strengthening the Commission, aside from the fact that the result may be an economy in number or cost of other administrative officials.

### **Regarding Recommendation 3, Method of Sale.**

I am in agreement with the recommendation that the Licensing Board should be continued as at present with four members plus the Chairman of the Liquor Control Commission. I am not in agreement that it should consist of three members of the Liquor Commission and two others.

The original purpose of the Licensing Board was that it should be as widely representative as possible and not narrowly partisan; that it should be comprised of highly regarded men of standing who would serve not for the small

allowance they now receive, but as a matter of public service; and more particularly it was meant to be a reasonably independent group of sufficient size not to be dominated by the Commission and representative enough that the public would have confidence in it and feel that its decisions would not be of a partisan or sectional character. I am of the view that the Licensing Board should consist as now of four members plus the Chairman of the Liquor Control Commission.

## **RESERVATION by Dr. L'Heureux**

Beer in Grocery Stores.

**I would recommend that beer and natural wines be available in grocery stores.** This, I feel, is an important part of a long term educational program to change the drinking habits of our people.

I would further recommend that beer be made available in lower alcohol concentration, declared a non-alcoholic beverage and sold at a reduced price. This would provide a strong incentive for new drinkers to change their tastes to this new beverage which presumably would lead to less abuse.



## CHAPTER XVI

### OFF-PREMISE DISTRIBUTION OF LIQUOR

The Provisions for Control of Club Licensees — Sales to Both Sexes in On-premise Beer Outlets (Beverage Rooms) — Light Foods and Other Beverages with Beer — Beer in Public Houses Other than Hotels — Beer, Wine or Spirituous Liquors in Restaurants — Licensing Night Clubs and Cocktail Bars (Cabarets) — Enforcement of Liquor Laws — Liquor on Trains.

Instructions to the Commission:

Without limiting in any way the general scope of its enquiry as hereinbefore set out, the Commission be instructed in particular to make findings and recommendations with respect to:

The adequacy of The Government Liquor Control Act, 1928, the regulations thereunder, any other legislation, and the administration of said Act, regulations and legislation in regard to:

9. (1) (e) The provision for and control of Club licenses.

The advisability or inadvisability of revising The Government Liquor Control Act, 1928, the regulations thereunder and the administration of said Act and regulations to provide for the following:

9. (2) (a) Selling beer by the glass or bottle to male and female persons for on-premises consumption in public houses;
- (b) making available for sale in public houses licensed to sell beer by the glass or bottle, light foods and beverages such as sandwiches, soft drinks and juices;
- (c) licensing public houses to sell beer by the glass or bottle, whether such public houses be physically or in any other way connected with a hotel, or not;
- (d) licensing hotels and restaurants to serve with meals: beer, wine or spirituous liquor, or any one or more of them;
- (e) licensing night clubs or cocktail bars to sell beer, wine and spirituous liquor by the glass.

Such further matters as the Commission may consider to be incidental to the foregoing matters:

9. (4) (a) Sale of liquor on trains and planes.
- (b) Beer parlors.

### ON-PREMISE DISTRIBUTION

The Government Liquor Control Act, 1923, did not provide for on-premise consumption of any kind of alcoholic beverage.

By 1926, however, petitions requesting that beer by the glass be authorized were being circulated by a joint committee of veteran's organizations under the

leadership of Mr. A. E. Moore, M.L.A. for Springfield and National Chairman of the Canadian Legion B.E.S.L. The agitation thus started soon found wide support, in part from very prominent citizens. As a consequence, the question was submitted to the people in a plebiscite on June 28th, 1927. The popular vote approved beer by the glass by a majority. In view of this the Provincial Legislature passed The Government Liquor Control Act, 1928. This Act authorized the licensing of beer parlors, clubs and military canteens.

Section 76 of the Act states:

The Commission may grant, in accordance with the provisions of this Act, a beer license or a beer vendor's license in respect of any hotel duly registered under the provisions contained in Part IX of this Act, or, in the case of a hotel located in the City of Winnipeg, duly licensed as a hotel under a by-law of that city.

It will be seen from this that hotels and hotels alone were granted license for beer parlors under the Act, and no provision is made elsewhere in the Act for establishment of beer parlors except on hotel premises. (Provision is made by the Act for the Government to establish its own beer parlors, but this has never at any time been implemented.)

The hotel was a natural location for beer parlors, for that had been the common location for on-sale outlets in years past, and it was the location of parlors in such provinces as already had parlors at that time. On the other hand, the assumption is general in Manitoba that the restriction of beer parlors to hotel premises alone at that time and until the present was an intentional gift to hotels of an exclusive source of revenue in order that they might provide better accommodation and food for the travelling public. This assumption is strengthened by the fact that Part IX of the Act places in the hands of the G.L.C. Commission the authorization and registration of all hotels in the Province outside the City of Winnipeg. These provisions replaced the Hotel Act, 1917, which had provided a Director of Public Accommodation to administer this matter. In addition S. 89 prescribes that "sale of beer in beer parlors shall be subservient to the comfort of the travelling public making use of the hotel in which the beer parlor is situated."

It seems to be the general opinion that the Manitoba rural hotels often improved in standard as a result of the revenue from beer parlors. We were informed, however, that in recent years, particularly in Greater Winnipeg, the hotel business proper has in a number of hotels become subservient to the beer parlor. In fact several hotels have expanded their beer parlors in a way that some people consider disproportionate.

Careful supervision of prospective licensees and premises to be licensed is provided for by the Act. An applicant for license must file application with the G.L.C. Commission within the prescribed time, i.e. in sufficient time to allow investigation of his character and of the premises to be licensed. The application must be accompanied by supporting affidavits and must show the "fair market value of the premises at the date of application," "the annual rental value of the premises at the date of the application," and any and all financial commitments

regarding the premises, such as leases, mortgages, and other encumbrances. Furthermore, before the issuance of a license, the premises must be shown to be so constructed as not to facilitate any violation of the Act and to be "otherwise suitable for carrying on the business in a favorable way." The exact nature, requirement, and location, of the hotel itself and of the parlor are carefully specified:

The hotel must contain, in addition to what is required for the use of the licensee, his family and servants, sufficient bedrooms with suitable complement of bedding and furniture, public sitting rooms, sample rooms, and other conveniences, reasonably suited to the requirement of the public (the words "sufficient bedrooms" are defined by Section 77(4) as meaning:

- (a) In cities, not fewer than 24 bedrooms, but in hotels located in the City of Winnipeg, not fewer than 40 bedrooms;
- (b) In towns and villages having a population of not fewer than 1,500 and not more than 7,000 and in the rural municipality of St. James, not fewer than 20 bedrooms;
- (c) In towns and villages having a population of not fewer than 500 nor more than 1,500, not fewer than 15 bedrooms;
- (d) In villages and other places having a population of not fewer than 200 and not more than 500, not fewer than 10 bedrooms;
- (e) In other places, not fewer than 8 bedrooms.

The hotel must be provided with suitable privies, lavatories and toilets so located and attended to that they are at all times kept clean and ventilated. The hotel must comply with the health and sanitary requirements of the municipality in which it is situated.

The proposed beer parlor must be on a lower level or on the same level as the main or ground floor of the hotel with an entrance thereto from the street and with an unobstructed view of the interior from the street or thoroughfare during the time when beer may not be sold, and it must be located so as not to cause inconvenience to a church, school or hospital.

The hotel must not be situated in an area set apart or utilized for park purposes or recreational grounds, whether national, provincial, municipal, or private.

The Act further provides that these conditions must be maintained to the satisfaction of the G.L.C. Commission.

Where premises are to be constructed or alteration made, plans for such construction or alteration must be submitted for approval to the G.L.C. Commission. No license can be issued until construction as proposed is completed and until the premises are inspected and approved by the Commission, though in the case of alteration or during final consideration of an application for a beer license by any person for the first time, temporary licenses for periods not to exceed 60 days may be granted.

The persons to whom licenses are granted are likewise carefully scrutinized. An applicant must be "twenty-one or more years of age, a British subject by birth or naturalization, resident in Canada for at least one year immediately prior to the date of application, and of good reputation and character." He must not have been convicted within three years prior to his application for the license of any offence against any of the provisions of the Criminal Code punishable by imprisonment for one year or more, or of any offence against the provisions of the Excise Act (Canada), or at any time for any offence against the provisions of The Opium and Narcotic Drug Act, 1929 (Canada) and be not otherwise disqualified under the Government Liquor Control Act and have complied with the requirements of the Government Liquor Control Act. Provision is also made for licensing of railway companies in respect of their hotels, and of other corporations which are incorporated or authorized to carry on business in Manitoba and which have among their main objects the operation of a hotel, providing that the majority of shareholders and their agent in charge of the hotel meet the requirements previously listed for licensees.

Advertisement of all applications must appear in The Manitoba Gazette, "Commencing at or about the time of application and continuing during the prescribed period, which shall not in any event be less than once in each week for two consecutive weeks." Further advertisement must be made in a "newspaper published in the municipality" in which the premises are situated or, if none is published in that municipality, in "a daily newspaper published in Manitoba circulating in that municipality."

All applications and objections thereto must be considered at public hearings at a date not later than the twenty-fifth of March prior to the ensuing license year. The applicant shall be personally present unless he is absent for a reason satisfactory to the Commission. In 1934, by an amendment to the Act, a Licensing Board was established to deal with applications and make such recommendations to the Commission concerning them as they thought proper. The Licensing Board is nominally five members, with the Chairman of the Commission serving as Chairman of the Board. At present there are only three members on the Licensing Board. Our recommendation on this matter is meant merely to suggest that the board be maintained at full strength.

There is an over-all population formula provided for in the Act which limits the maximum number of beer licenses issuable in any one year in the Province to the following:

- (1) in the City of Winnipeg, one license for each 4,300 of population;
- (2) in any other municipality of any municipal district
  - (a) one license for the first 1,200 or less population;
  - (b) two licenses where the population is over 1,200 and under 3,200;
  - (c) three licenses where the population is 3,200 or more and under 4,800;
  - (d) four licenses where the population is 4,800 or more up to and inclusive of 8,800.

Where the population of a municipality or municipal district exceeds 8,800, a beer license additional to those already mentioned may be granted for each additional 4,000 of population over 8,800. And, notwithstanding all of the foregoing restrictions, the Commission has a discretionary power to grant in any municipality or municipal district beer licenses up to the number that were in existence in the said municipality or municipal district on March 7, 1928.

Provision is also made for licensing hotels in or near summer resorts and operated as hotels less than 6 months of the year. The term of these licenses is determined by the Commission, and the license fee is proportionately higher than for regular hotels.

The Commission has a wide discretionary power to refuse a beer parlor or beer vendor's license or to grant it subject to "such conditions as it thinks proper in the interest of the public," where it is of the opinion that a sale or lease of the hotel premises in question has taken place at an inflated or unfair value. This power has been used quite sparingly, if at all, by the Commission.

On the initial application for a beer license, the applicant must pay a sum of \$25.00 to the G.L.C. Commission to cover the cost of investigation. The annual license fee for a hotel in the city is fixed at a minimum of \$100.00; for other places the minimum fee is \$50.00. (Note: The G.L.C. Commission has, in practice, set the minimum fee as the regular fee for license.) In addition to this negligible fee for license, the licensee pays to the G.L.C. Commission at the time of purchase a fee of 5% of the cost of all beer purchased. Under the present practice, renewal of licenses is accomplished with much less formality than is the initial application. The renewal forms require the applicant to supply only the major points of information required of first applicants, and the procedure is relatively automatic and simple. Up until approximately 1935 the Commission did require new applications to be filed each year by beer licensees as directed in the Act, but this system was subsequently discontinued, and the simple renewal application was substituted therefor.

### **Regulatory Provisions Concerning Beer Parlors.**

Certain of the requirements for the operation of beer parlors are directed toward the protection of individuals and to prevent the facilitation of violations of the Act. No person under 21 years of age, no Indian, and no interdicted person can enter or remain in a beer parlor, and no licensee can knowingly permit such a person to be in the premises, nor can a licensee employ any person under 21 years of age or any female to act in any way in connection with the sale, handling, or service of beer. Toilets or lavatories and beer storage rooms must be directly connected with the beer parlor but must not have "any means of internal communication" with any other room in the hotel. Consumption of beer in storage rooms and toilets is forbidden. No credit may be extended for beer nor any tender except money accepted for it. Cheques and orders of indebtedness may not be negotiated by beer licensees. (This last restriction is somewhat limited in effect because the hotel proper does not, of course, suffer from like restriction.) No slot machine or similar device of any kind is permitted in any beer parlor. Gambling, drunkenness

or any violent, quarrelsome, riotous, or disorderly conduct is not to be permitted by the licensee, and he is further to permit no persons of notoriously bad character or disorderly or intoxicated person in the parlor. All beer bought in a beer parlor must be consumed therein.

It is further required that:

Each beer licensee must maintain a complete record in the prescribed form of all kegs, barrels and other packages of beer purchased and received by him and of all empty kegs, barrels, etc., returned. This record must be open for inspection at all times to any constable or inspector.

The intention of the above provisions seems quite clear, but the purpose of those which remain to be discussed is less certain. It has been suggested that they were aimed at discouraging consumption by making beer parlors unpleasant places.

The first of these provisions is that no bar or counter at which alcoholic or non-alcoholic beverages are sold can be maintained in a beer parlor. This provision was almost certainly aimed at getting rid of certain bad features of the old saloon, but the treating customs and certain other products of the present system suggest that it may not have achieved quite the desired effect.

Secondly it is provided that men and women shall not drink together in a beer parlor. Arrangement is made for the establishment of separate beer parlors for women, but this privilege has never been granted by the G.L.C. Commission. The exclusion of women from beer parlors has been called discriminatory by some persons appearing before this Commission. The discrimination may be justified in view of the present nature of beer parlors. On the other hand, it has been pointed out that women have a refining influence in drinking places, that they drink in any case, and that mixed drinking in the right kind of surroundings is the most desirable arrangement.

While it is required that every beer parlor must be so constructed as to permit an unobstructed view from the street or thoroughfare level at all times when the parlor is not open for business, most beer parlors close off such view by blinds of some sort during business hours. This practice seems to be the policy of the beer parlors themselves, for the G.L.C. Commission is neutral on the subject. There is a strong opinion that lowered blinds provide real protection for the beer parlor customers. They may drink unobserved by the critical eye and beyond the sight and reach of wives. In our opinion an open view of beer parlors may tend to discourage such drinking as a man cannot justify in his own conscience and which will not meet the approval of society and of his associates.

No beer license may permit dancing or games of sport or chance in the beer parlor, nor may any musical instrument be permitted. Song and dance are ancient accompaniments of drink and not habitually associated with its excess. The English "pub," in which some of the world's sanest drinking takes place, is a place where a man goes to play darts while he drinks his pint of beer. In Manitoba a man may only drink. No food may be consumed in any part of a beer parlor, and no food or drink other than beer may be sold. This provision concerning food is

peculiarly Canadian and in contradiction to the thought of other nations concerning sane drinking. Food with drink serves both to decrease the amount and effect of the alcohol consumed and as a counter-attraction to drink. In most of the United States it is forbidden by law to serve liquor where food is not available. The State of North Dakota, which many Manitobans have visited, is a peculiar exception to this rule. They alone have a divorcement law, i.e., provision that food and drink may not be served together. In England since the crisis caused by the immoderate use of liquor during the First World War it has been the policy to encourage food in drinking places as a deterrent to excess.

All in all it may be said that Manitoba beer parlors are places where men may drink and drink and may do nothing else. Since it is generally considered desirable that drinking should be secondary to other activities, it may be safely said that whatever the intention of the legislature in 1928, our present beer parlors serve rather to encourage than to discourage drinking.

### **Operation of Beer Parlors**

Certain requirements are set forth in the Act concerning administrative and operational matters relating to beer parlors. It is required, for example, that the licensee's beer license must be posted in a prominent position in the beer parlor. Furthermore, he shall post "in the beer parlor or at the entrance thereto such extracts from this Act, signs or notices as the Commission may require or permit, but no other signs or notices." At present in accordance with the Act, no beer containing more than nine per centum of proof spirits may be sold in any beer parlor. Beer which does not meet the standards of quality required by the Commission or its inspectors may not be sold.

The Act, as originally written, provides that where beer is sold by the glass to a purchaser for consumption in a beer parlor the quantity of beer in each glass must not be more than 8 ounces and must be served in a glass of not more than 10-ounce capacity. The price per glass to the purchaser must not exceed 10 cents. It is also provided that where beer is sold by the bottle for consumption in a parlor the bottle must be a full reputed pint bottle and that the seal (bottle cap) must be removed from the bottle when it is delivered to the purchaser. The price per bottle to the purchaser must not exceed 20 cents. The foregoing requirements as to prices and quantities of draught and bottled beer may be varied by regulations which may also provide for different prices in different parts of the province according to costs of transportation and the carrying on of the business.

The passage of time made it clear that the G.L.C. Commission had to provide for considerable change in prices. Accordingly, the Commission, acting under the power of this section, set the quantities and prices of draught beer and bottled beer by Manitoba Regulations 53/53 as follows:

- (1) When beer is sold by the bottle to a purchaser for consumption in a beer parlor the bottle shall contain not less than twelve ounces of beer and the price per bottle to the purchaser shall not exceed twenty-six cents.

- (2) When beer is sold by the glass to a purchaser for consumption in the beer parlor, the quantity of beer in each glass so sold shall not be less than six and one-quarter ounces and shall be served in a glass of not less than seven and one-half ounce capacity and the price of beer per glass to such purchaser shall not exceed ten cents.
- (3) Where costs of transportation or other causes require, the Commission may by order vary the price or quantity prescribed by SS(1) and (2) hereof. (Added by MR 26/54).

By administrative order, the sale price of a bottle of Eastern beer in a beer parlor has been set by the Commission at 31 cents.

It should be noted that the regulations give the G.L.C. Commission the further right to vary the prices and quantities "by order." It would seem that this right to vary by order of the Commission is perhaps a greater extension of the power granted under S. 108(3) of the Act, than the Legislature intended. Furthermore, it is only reasonable that the Commission should promulgate such variations by regulation only, with the consequent notice to the public. Administrative orders of the Commission require no public advertisement and no approval by the Lieutenant-Governor-in-Council as do regulations, and for that reason alone their use in matters of general public concern should be discouraged.

One further criticism which might be offered is that the provisions relating to prices would be more certain if it were made clear in S. 108 (1) and (2) that the maximum prices and quantities made mandatory by those subsections were subject to variation by regulation as provided in S. 108(3) i.e. if S. 108(3) which now reads ". . . and the price per bottle to the purchaser shall not exceed twenty cents" were made to read ". . . and the price per bottle to the purchaser shall not exceed twenty cents **unless varied by regulation of the Commission as hereinafter provided.**" Alternatively the Act could be made to read "the price per bottle to the purchaser shall be determined by regulation of the Commission."

Aside from the beer prices already mentioned, no additional charges may be made to a purchaser for any other services rendered in a beer parlor.

There is no specific requirement in the Act or regulations as to the kinds or brands of beer which must be sold in a beer parlor. The Commission's policy since 1952, however, has been to require that all parlors carry at least representative brands of beer produced by all provincial breweries, and at least two kinds of Eastern beer (where there is a demand for it). By administrative order, each beer licensee and beer vendor licensee is now compelled to post and maintain in a conspicuous place on his licensed premises a sign showing the various brands of bottled beer available for purchase. The result is that while the signs are posted as required, insufficient attention is paid to the suggestion that representative brands be kept in stock especially in those hotels in which breweries have a financial interest. Needless to say, any requirement as to the brands which must be sold in a beer parlor would be much more effective if it were contained in the Act or regulations and duly enforced.

One final point which should be mentioned is the "unwritten law" that no patron in a beer parlor can be served more than two glasses or one bottle of beer



at a time and no further order taken until he has consumed his previous purchase. This policy is encouraged by the Commission, but again there is no statutory requirement compelling it and therefore it is largely unenforceable. If it is deemed a wise control measure, this rule should also be incorporated into the Act or regulations and enforced as a mandatory requirement.

### Hours and Days of Sale.

Limitations on the days and hours of sale are fixed by the Act. The maximum hours of sale are 10 a.m. to 11 p.m., but under its powers the G.L.C. Commission has set them at 10 a.m. to 10 p.m. The sale of beer in parlors is prohibited on those days on which liquor stores are closed:

on any Sunday or holiday. ("Holiday" is defined by S. 2(15) as including Good Friday, Thanksgiving Day, Remembrance Day and Christmas Day.)

on any day on which polling takes place at any Dominion or Provincial election held in the electoral division in which the hotel is situated.

on any day on which polling takes place at any municipal election held in the municipality in which the hotel is situated, or upon any question submitted to the electors under this or any other Act of the Legislature.

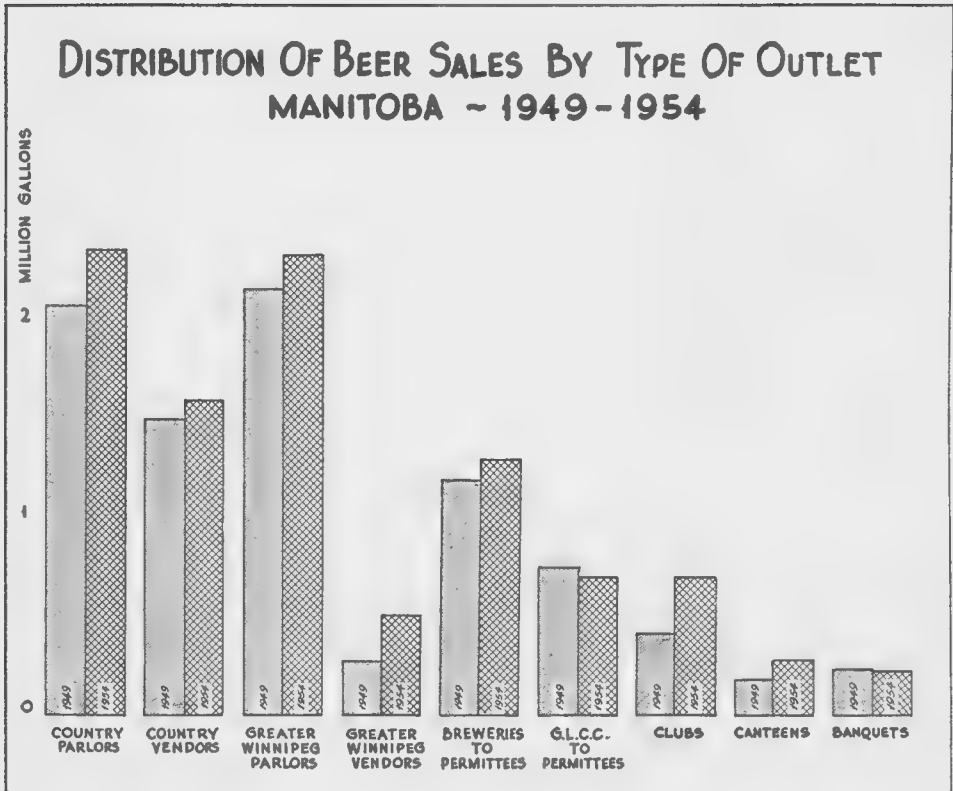
The requirements for closing on Dominion, Provincial and Municipal election days are very rigid and often work a hardship on a licensee for no good reason, e.g. if he must close his premises in a ward where an acclamation has occurred. The Commission has, as we have seen, permitted parlors, stores and clubs to remain open notwithstanding the requirements of the Act, in such cases as acclamations, wards where no vote taken, advance polls, and sub-polls. However, this policy, reasonable as it is, has no authority in law as the Act now stands. An amendment to cure this situation was suggested to the Select Special Committee by the Commission, but no action was taken thereon.

In 1928 there were 198 licensed beer parlors in Manitoba; in 1954 there were 268. These were distributed as follows:

|           | Winnipeg | Winnipeg<br>Suburbs | Outside of<br>Greater<br>Winnipeg | Total |
|-----------|----------|---------------------|-----------------------------------|-------|
| 1928..... | 49       | 9                   | 140                               | 198   |
| 1954..... | 51       | 20                  | 197                               | 268   |

The new beer parlors opened in this period were for the most part in the country with the notable exception of the Winnipeg suburbs. Two factors worked to limit the new parlors in Winnipeg itself: (1) the population formula, and (2) the greater expense involved in a city hotel. The result is worth noting. The hotels in Winnipeg were originally opened to accommodate travellers, which for the most part meant travellers by railway. As a result most Winnipeg hotels are in the vicinity of the two railway terminals. The neighborhood beer parlor with its healthy

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atmosphere of friendly neighborliness has, therefore, not developed. Zoning restrictions and Manitoba sentiment make it unlikely that any great change will take place in the near future. It should be noted, however, that some of the licensed parlors are now in undesirable locations and are of an unpleasant and socially questionable type.

### Sales and Prices.

The retail sales by beer parlors has increased from an estimated \$4,000,000 in 1929 to \$13,900,000 in 1954. This is an increase from 1,998,295 gallons in 1929 to 4,646,681 gallons in 1954.

Part of the financial increase is due to cost increase. The price of beer by the half keg to licensees has varied from \$12.25 in the Winnipeg area in 1928 to \$19.11 in all except a few far northern points in 1954. (Dominion Government tax, including sales tax, included in the above figures was \$2.60 per keg in 1928 and \$6.54 per keg in 1954. The present price of \$19.11 also includes 78½ cents freight equalization.)

Through adjustments required by cost the price of a bottle of beer has risen from 20 cents in 1928 to the present price of 26 cents. The price per glass has remained 10 cents, but the amount of beer in the glass has been reduced from 8 ounces to 6¼ ounces.

The volume of beer sales through different types of outlets for the year ending March 31, 1954 was as follows:

| On-premise Sale.                   |  | Gallons          |
|------------------------------------|--|------------------|
| Hotel licensees (Beer Parlor)..... |  | 4,646,681        |
| Clubs.....                         |  | 706,676          |
| Canteens.....                      |  | 254,745          |
| Banquets.....                      |  | 311,376          |
| Off-premise Sale.                  |  |                  |
| Govt Liquor Store—Beer.....        |  | 798,700          |
| Hotel Vendors.....                 |  | 2,128,485        |
| Brewery Warehouses.....            |  | 778,870          |
| Brewery Cash and Carry Stores..... |  | 550,806          |
| Druggists.....                     |  | nil              |
|                                    |  | <hr/> 10,131,239 |

Source: Data supplied by the G.L.C.C.

It will be seen from the above table that the beer parlor is the largest outlet for beer in the Province. What is more, even if beer sold on banquet permits be subtracted (because it may be considered exceptional), the remaining total figure for on-premise sale shows that Manitobans drink most of their beer outside the home in public and semi-public outlets. Any liquor legislation, then, which hopes to gain popular support and be enforceable must give careful recognition to this habit of our people.

The following table shows the long established habit of our people of drinking away from home:

### BEER CONSUMPTION IN HOMES vs IN PUBLIC

| Fiscal<br>Year | Consumed<br>in Public<br>(Hotels, Clubs,<br>Canteens, etc.) | Proportion<br>of Total<br>Consump-<br>tion | Consumption<br>in Homes | Proportion<br>of Total |
|----------------|-------------------------------------------------------------|--------------------------------------------|-------------------------|------------------------|
|                | (Gallons)                                                   | %                                          | (Gallons)               | %                      |
| 1939.....      | 1,837,282                                                   | 65                                         | 998,968                 | 35                     |
| 1940.....      | 1,976,425                                                   | 63                                         | 1,157,574               | 37                     |
| 1941.....      | 2,226,328                                                   | 62                                         | 1,347,123               | 38                     |
| 1942.....      | 2,643,482                                                   | 62                                         | 1,612,466               | 38                     |
| 1943.....      | 2,634,399                                                   | 60                                         | 1,745,410               | 40                     |
| 1944.....      | 2,820,115                                                   | 53                                         | 2,489,559               | 47                     |
| 1945.....      | 3,531,600                                                   | 52                                         | 3,218,019               | 48                     |
| 1946.....      | 4,219,789                                                   | 51                                         | 4,122,280               | 49                     |
| 1947.....      | 4,090,830                                                   | 52                                         | 3,750,947               | 48                     |
| 1948.....      | 4,849,369                                                   | 57                                         | 3,711,626               | 43                     |
| 1949.....      | 5,075,062                                                   | 57                                         | 3,681,128               | 43                     |
| 1950.....      | 5,240,858                                                   | 58                                         | 3,816,740               | 42                     |
| 1951.....      | 5,185,098                                                   | 60                                         | 3,520,015               | 40                     |
| 1952.....      | 5,252,876                                                   | 59                                         | 3,580,313               | 41                     |
| 1953.....      | 5,693,046                                                   | 59                                         | 4,006,459               | 41                     |
| 1954.....      | 5,921,373                                                   | 59                                         | 4,135,193               | 41                     |

Source: Data supplied by the G.L.C.C.

Figures issued by the Dominion Bureau of Statistics indicated that in the year 1952, 67.2% of the hotel receipts in Manitoba came from the sale of beer and only 32.8% from other receipts including rooms and dining rooms. This is significantly higher than the average percentage for the entire Dominion, which is 51.5%. The percentage for all Provinces in 1952 is here shown:

| Province                  | Total<br>Hotel<br>Receipts | Alcoholic<br>Beverage<br>Receipts | Percent<br>of<br>Total |
|---------------------------|----------------------------|-----------------------------------|------------------------|
| CANADA.....               | \$391,936,000              | \$201,759,000                     | 51.5%                  |
| Newfoundland.....         | 2,283,000                  | 620,000                           | 27.2%                  |
| Prince Edward Island..... | 581,000                    | -----                             | -----                  |
| Nova Scotia.....          | 5,928,000                  | 267,000                           | 4.5%                   |
| New Brunswick.....        | 3,819,000                  | -----                             | -----                  |
| Quebec.....               | 93,679,000                 | 45,665,000                        | 48.7%                  |
| Ontario.....              | 125,488,000                | 59,290,000                        | 47.2%                  |
| Manitoba.....             | 27,691,000                 | 18,606,000                        | 67.2%                  |
| Saskatchewan.....         | 34,790,000                 | 23,773,000                        | 68.3%                  |
| Alberta.....              | 49,857,000                 | 29,951,000                        | 60.1%                  |
| British Columbia.....     | 47,820,000                 | 23,587,000                        | 49.3%                  |

N.B.: British Columbia includes Yukon and N.W. Territories.

It can be seen from this that the average hotel receipts from beer are higher in Manitoba than in any other Province except Saskatchewan, and that the three Prairie Provinces, where on-premise sale of beer is confined to hotels, have the very highest percentages.

This relationship of beer receipts to total hotel receipts gives further indication of the value of this exclusive source of revenue given to hotels, a matter already discussed at the beginning of this chapter. (Note: The receipts for other provinces include alcoholic beverages other than beer where they are allowed. This fact in no way affects the preceding observations.)

The following table gives some indication of how profitable the beer business (including vendor sales) has been to hotels in the Province:

**GROSS PROFITS EARNED ON BEER SALES  
BY MANITOBA HOTELS  
(Year Ending March 31st, 1954)**

| Estimated Gross<br>Profit on Beer Sales |               | Suburban<br>Hotels | Winnipeg<br>Hotels | Other<br>Hotels |
|-----------------------------------------|---------------|--------------------|--------------------|-----------------|
| Under                                   | \$ 5,000..... | 0                  | 0                  | 19              |
| 5,000 -                                 | 10,000.....   | 0                  | 0                  | 46              |
| 10,000 -                                | 25,000.....   | 6                  | 20                 | 110             |
| 25,000 -                                | 50,000.....   | 6                  | 25                 | 30              |
| 50,000 -                                | 100,000.....  | 8                  | 6                  | 2               |
| Over                                    | 100,000.....  | 0                  | 1                  | 0               |

**Brewery Hotels.**

Of the 279 hotels licensed for parlors or vending, 88 are owned by breweries and 106 have loans from breweries.

A comparison of average stated market value with average beer purchased for both brewery-owned hotels and hotels owned by others is show below:

|                             | Average<br>Stated Market<br>Value | Average<br>Beer Purchased<br>1954 |
|-----------------------------|-----------------------------------|-----------------------------------|
| Brewery Owned Hotels.....   | \$194,000                         | \$89,703                          |
| Hotels Owned by Others..... | 79,689                            | 47,826                            |

Source: Data supplied by the G.L.C.C.

These figures indicate that the brewery hotels are on the average better equipped than others. This is borne out by the study of hotel ownership by two large breweries, which study was made for this Commission by a firm of chartered

**MANITOBA HOTELS**  
**ESTIMATED GROSS PROFITS**  
**FROM**  
**BEER SALES**  
**1954**



accountants. The report states: "It is therefore apparent that, in total, there has been no element of high profitability in brewery ownership of hotels themselves; the investment is made to ensure a market for the product."

These facts support the statement of liquor control inspectors appearing before this Commission that brewery hotels were more attractive and better managed than other hotels. The precise significance of this will be discussed more fully under "Tied Houses."

Beer parlors range in size from small ones in older hotels to a limited number of very large ones constructed in the last few years. Some idea of their range may be gained from the following table:

### SEATING CAPACITY OF BEER PARLORS IN HOTELS IN MANITOBA

|                      | City of<br>Winnipeg<br>Hotels | Suburban<br>Hotels in<br>Greater<br>Winnipeg | Hotels in<br>Other Points<br>of Province | Total |
|----------------------|-------------------------------|----------------------------------------------|------------------------------------------|-------|
| Under 50 Seats.....  | ---                           | ---                                          | 24                                       | 24    |
| 50 - 100 Seats.....  | 8                             | 1                                            | 83                                       | 92    |
| 100 - 150 Seats..... | 24                            | 7                                            | 60                                       | 91    |
| 150 - 200 Seats..... | 9                             | 2                                            | 19                                       | 30    |
| 200 - 250 Seats..... | 8                             | 4                                            | 6                                        | 18    |
| 250 - 300 Seats..... | 2                             | 4                                            | 1                                        | 7     |
| Over 300 Seats.....  | ---                           | 2                                            | 1                                        | 3     |
| Total Hotels.....    | 51                            | 20                                           | 194                                      | 265   |

Note: Figures for 3 hotels were not available.

It is generally agreed that smaller drinking places where the clientele are acquainted with each other and for whom drinking is part of friendliness and neighborliness are likely to discourage inebriety and promote sane drinking. The trend at present in Manitoba is in the opposite direction.

The average population per hotel licensee was 3,353 in 1928 and 3,025 in 1938 and 3,090 in 1954. The average population on the basis of all beer by the glass outlets including beer parlors, clubs, and canteens was 2,721 in 1928, 2,254 in 1938 and 2,015 in 1954.

### WHAT ARE BEER PARLORS LIKE?

A Committee of five men interested in social problems paid approximately one hundred visits to 49 beer parlors in the Greater Winnipeg area at the request of this Commission and made objective observations of what they saw. The visits were made at various times of the day, but special attention was paid to the dinner and closing hours.

The following paragraphs record the more pertinent observations of these men with a number of suggestions for improvements which they felt desirable in the light of this survey:

## 1. Attendance.

Beer parlors are open from 10 a.m. to 10 p.m., and during that time the number of patrons in most parlors follows a fairly consistent pattern. There is very little business between 10 a.m. and 11.30 a.m. During the luncheon period from 11.30 a.m. until 1.30 p.m. there is a considerable increase in attendance. After 1.30 p.m. the crowds fall away until late afternoon. About 4 o'clock attendance begins to increase and builds up in the Greater Winnipeg area to a peak just after 5 p.m., when it is usual to find the downtown parlors operating at full capacity. This peak crowd does not stay long, for men start leaving for home about 5.30 and by 6.30 the number has dropped conspicuously. About 8 o'clock the crowd again begins to increase, although in winter time it does not reach the pre-supper hour peak again before closing. (The observations of this Committee were made in the winter. Informal observations indicated that in summer time, especially during very hot weather or when popular events bring men into town, the larger beer parlors may be so crowded in the late hours of the evening that no seats are available.)

## 2. Criticisms.

The most serious complaint about beer parlors is that in many of them tables, ash trays, and floors are not kept clean, particularly during busy periods. This is by no means true of all hotels, for some maintain a very high standard of cleanliness. Certain of the larger beer parlors hire a special man to clean ash trays, tables and floors. In others there is little attempt made to clean up from the time the 5 o'clock rush starts until closing time at 10 p.m. Only a very few beer parlors bring a clean ash tray to the table of newly arrived patrons.

Although the lighting in the newer parlors is adequate and decorative, in many of the older places the lighting is very poor, and this adds to their already dingy appearance. In new parlors tables and chairs are usually of the chrome type for easy cleaning, but there are still a number of older parlors with old wooden tables and chairs, which may be shabby and dirty. Ventilation in some of the older parlors is poor, and in some of them the lavatories seem to be quite unventilated.

## 3. Conduct of Patrons.

Generally speaking the conduct of beer parlor patrons was quite good during the period of observation, and abuses caused by drunkenness were infrequent. The noise increased with the crowd, but even at the noisiest there seemed to be little rowdiness. The atmosphere is nearly always friendly, and it appears that most of the patrons either come into the parlor with friends or plan to meet friends there. It seemed that many of these friendly meetings were more important to the patrons than the actual drinking of beer. It was noticed that some men sat alone in parlors as though they were very lonely. When such men are alone at a table, they very seldom drink much but rather keep a glass before them only to justify their occupying a seat. Most of the laboring class attend beer parlors in their working clothes on the way home at the end of the day, and because of this, beer parlors in late afternoon appear to be rougher than they actually are. In the evening, only late workers appear in working clothes, and the standard of dress is considerably better.



#### **4. Table Ordering and Treating.**

The man who enters a beer parlor alone usually joins other acquaintances. In such a case the new man often feels obliged to buy a round of drinks for those already sitting at the table. Extra chairs may be drawn up, and a table for four may be used by a party of six or eight men. Some parlors have signs stating "The Commission has directed that not more than two glasses of beer or one bottle be served to one patron at one time." When treating rounds are ordered, however, many hotels ignore this rule and glasses and bottles pile up in front of the slow drinker. This results in the familiar "loaded" table. This does not happen in all hotels as some are careful to comply with the Commission's orders regarding this practice.

#### **5. Staff.**

The behaviour and appearance of the beer waiters is an important factor in the conduct of the parlors. Most of the beer parlors require their waiters to be dressed in a clean white shirt and in a few the waiters wear uniform trousers. In those parlors where the waiters appear slovenly, the conduct of the patrons is likely to be of a lower standard.

In some parlors ash trays and tables were not kept clean chiefly because the waiters were apparently indifferent or not properly disciplined. Some waiters were observed drinking on duty. This drinking is the result of patrons buying drinks for waiters as a tip for service. Good management can completely eliminate this practice.

It was observed that waiters would not serve anyone who was intoxicated, although in fact a case of intoxication was a rarity. Waiters shouting orders for beer back and forth between the bar and the tables causes a great deal of noise and lowers the tone. At busy times some waiters carry a loaded tray of draught beer from the bar without having first obtained orders from the patrons. This may have a tendency to push or increase sales although the motive of the waiters is to save steps, particularly in the larger parlors where the waiters' tables may be some distance from the bar.

#### **6. Brands of Beer.**

In most parlors there seems to be a greater sale of draught beer than of bottled beer, probably because two glasses at 20 cents is more reasonable than a 12-oz. bottle at 26 cents. Hotels carry representative brands of Manitoba beer; and some carry brands manufactured in Eastern Canada, which sell at an additional 5 cents per bottle.

#### **7. Beer Vendors.**

The beer vendors in suburban hotels seem to do a fairly large volume of business although their price of \$5.00 per case is 50 cents a case higher than the price in Government Liquor Stores or by home delivery. Most vendor services are well operated, and the vendors are particular in observing the rules regarding permits, quantities, etc. The vendors complain that Government Liquor Stores will not accept the return of empty beer bottles and that, as a consequence, they,

the vendors, must handle them at no additional profit. Some customers complain of the higher price charged for beer at vendor outlets.

## **SUGGESTED IMPROVEMENTS**

### **1. Cleanliness.**

The strict enforcement of standards of cleanliness would greatly improve many of the present beer parlors. With better management, ash trays, tables, and floors could be kept clean. The practice in some parlors of replacing dirty ash trays with clean ones when patrons are first served is a commendable one.

### **2. Supper Hour Closing.**

Closing beer parlors from 6.30 p.m. to 7.30 p.m. would probably send home such men as tend to congregate in large table parties and likewise provide an opportunity for the beer parlor to be cleaned in readiness for the evening trade.

It was observed that patronage dropped off sharply after the 5 o'clock rush and very few men stay through the supper hour. The loading of tables and piling up of beer in front of slow drinkers prevents some men from leaving at the supper hour as they otherwise probably would.

### **3. Later Opening.**

Although beer parlors open at 10 a.m., the amount of business done in the first hour does not seem to warrant so early an opening.

### **4. Refreshments in Parlors.**

The availability of light food and non-alcoholic beverages would often be appreciated and would probably tend to decrease drinking.

### **5. Music.**

Radio or T.V. would be a welcome addition.

### **6. Decorations.**

Only a few beer parlors have pictures or murals on the walls. At present, indeed, very little imagination is displayed in the decoration of parlors with the exception of a few of the newer ones. The lighting and furnishings of some of the older beer parlors need a great deal of improvement.

### **7. Hat Racks.**

There are at present no hat racks in beer parlors, and certainly some such accommodation would be an improvement.

### **8. Beverage List.**

Although all beer parlors have followed the recent G.L.C.C. order in posting a list of brands of beer carried, this list is hard to read more than 20 feet away. It is recommended that a printed list be available at the table on demand.

### **9. Extra Chairs.**

The maximum seating capacity for individual beer parlors should be established and strictly enforced. The present use of extra chairs in some parlors causes crowded, hazardous conditions.

## SUMMARY

Present restrictions on beer parlors limit severely the amenities for the patrons as compared to the privileges enjoyed by private club members in their clubs. Some objectionable features of beer parlor appearance and service might improve under a wider competitive system. Moreover, although most parlors visited exercise fairly strict observance of the present laws, effective Government inspection is imperative. Crowding and the difficulties consequent upon it are more apparent during the summer months when large crowds patronize the parlors around 5 o'clock and during the late evening.

### Manitoba Opinion.

Support for limitation to the present beer parlor system came from those who felt that some on-premise sale had to be allowed in response to public demand but that anything more attractive or broader in function would certainly encourage more drinking. Even many of those who wished no other additional on-premise outlets suggested that non-alcoholic drinks and perhaps light snacks should be available in parlors, feeling that these would reduce drinking and its effects. That the beer parlor was not the most desirable type of on-premise outlet, however, was an opinion widely held.

Complaints were received concerning the lack of cleanliness and the poor decor and lighting in many parlors. There was objection to overloading tables and treating, which practices, it was alleged, resulted in increased consumption.

A member of the Women's Christian Temperance Union made strong objection to drawn blinds on beer parlors during business hours. She maintained that it was proper that "there be an unobstructed view through windows of all beer parlors during the time that beer is not sold, but that this unobstructed view be maintained during sale hours. Is it not unusual to close the blinds when business opens, and open the blinds when business closes?"

### General Comment.

Some of the most commendable findings of the Royal Commission on Licensing (England and Wales), 1929-1931, provide enlightening comment on our present system. Said this Commission's Report:

**Para. 197.** Further, the ordinary public house of today is still a place where both externally and internally the predominating, and very often the exclusive, emphasis is on the sale of intoxicants. We attach the greatest importance to this point.

(Note: By the terms of the Act, "the predominating and exclusive emphasis" of Manitoba parlors is the sale of intoxicants.)

**Para. 198.** The ideal towards which modern conceptions are tending is to make the public house, as it ought to be, a place where the public can obtain general refreshment, of whatever variety they choose, in decent, pleasant and comfortable surroundings.

**Para 199.** We are satisfied that the conditions in the best types of improved public house today are a direct discouragement to insobriety; and we feel confident, further, that the progressive development of real improvement will help substantially to bring about a better distribution of refreshments (using the word in its widest sense.)

**Para. 201.** We have been warned of the danger of improving the public house so far as to attract the custom of young people who might not otherwise be tempted to form drinking habits. The alternatives as regards licensing policy are to leave the undesirable public house unimproved, as a mere drink shop, with structural conditions favouring continuous and sometimes partly concealed drinking, snugs, partitions, dark passages and the like; or to abolish all those objectionable features and make the house and its surroundings more suitable and comfortable and diminish concentration on the service of intoxicants to a minimum. The danger, if any, to young persons is not likely, in our opinion, to be serious if the improvement follows the lines which we have in mind, and provided that the licensing justices and the trade set themselves to maintain, and do maintain, a high standard of conduct in the houses.

The ideas and principles set forth in the above paragraphs seem to us essentially sound. To achieve the ends which are suggested, however, would mean drastic revision of the present provisions for on-premise outlets in Manitoba.

### **Club Licenses.**

The Act provides also for the licensing of clubs for on-premise sale. A club is defined as “any association of individuals for purposes of mutual entertainment and convenience incorporated by or under an Act of this Legislature and includes the premises occupied or used for any such purpose.” The term “club” also applies to veterans’ organizations. The prerequisites necessary for a club to receive a license are further set forth in the Act:

- (1) The club must not be a proprietary club operated for pecuniary gain;
- (2) The club must be incorporated by an Act of the Legislature and must not be in default in the making of any required returns to the Provincial Secretary;
- (3) The club premises must be constructed, equipped, conducted, managed and operated to the satisfaction of the Commission and in accordance with the Act and regulations;
- (4) The club must have a permanent local membership of not less than 100 adult members;
- (5) The application for the club license must be approved by a majority of the club members present at a meeting called to consider the application;
- (6) The club must be in operation for at least 3 years prior to the date of its application for a license;
- (7) The club must, at least one year prior to its application, file with the Commission notice of its intention to make an application, accom-

panied by a description of the premises, and must advertise the notice and otherwise comply with the requirements of the Act and regulations. (See Sects. 72-75 inclusive, for preliminaries to the grant of a license.)

Notwithstanding the foregoing requirements, the Commission may also grant club licenses to:

- (1) The following organizations or duly chartered branches thereof in such number to each as the Commission, may, in its discretion, determine:
  - (a) The Canadian Legion of the B.E.S.L.;
  - (b) The Army and Navy Veterans in Canada;
  - (c) The Imperial Veterans in Canada;
  - (d) The Amputations Association of the Great War;
  - (e) The Guard's Association of Canada;
  - (f) The R.C.A.F. Association;

and

- (2) To a golf club owned or leased and operated by a municipality or duly constituted municipal parks board.

In the case of the veterans' clubs, the licensed premises must be at such places as the Commission approves after consultation with the officials of the organization concerned. Where two or more of the veterans' organizations join for the purpose of obtaining a joint license, the number of licenses which may be granted the joint body shall be the same as could be granted them separately. Any chartered branch is qualified to be a club licensee only while it remains in good standing with the central organization of which it is a branch.

Municipal golf clubs, when licensed, may sell beer by the glass or open bottle in the clubhouse on the golf course. Any person who has paid his fee upon any day to play golf on that day is deemed a member of the club and may that day purchase beer at the clubhouse for consumption therein. Before such a license can be granted, the municipality or parks board must pass a resolution requesting the Commission to grant the license. (It should be noted that, according to advice from the Commission, no municipal or parks board golf club has ever received a club license under the provisions of the Act. All of the golf clubs licensed are incorporated clubs.)

When considering an application for a club license, the Commission has power to inspect the club premises and to enquire into all matters regarding the constitution and operation of the club.

The following fees are payable for club licenses:

- \$ 10.00 to cover the cost of investigation, and an additional:
- \$150.00 for clubs of 100 to 220 members;
- \$200.00 for clubs of 200 or more members;
- \$100.00 for golf or veterans' clubs.

However, the Lieutenant-Governor-in-Council may authorize the Commission to rebate any veterans' club licensee its license fee if satisfied that the profits from the

sale of beer during the preceding year were largely used for benevolent or charitable purposes, provided always there was due observation of the provisions of the Act and regulations by the licensee.

Club licenses are granted in the name of the applicant club and are authority for the club licensee to purchase beer from the Commission and to have, keep, and sell the beer on the club premises to members of the club for consumption only on the said premises. The Commission may when issuing the license limit it to a portion of the premises only and that portion thereof is the only place wherein the beer may be had, kept, sold, or consumed.

Only members of a club who are 21 years of age may purchase beer in licensed club premises.

No person other than a member, a registered guest, or an employee can be or remain in any part of the club where beer is sold, served or consumed.

## Membership.

The Act describes a club member:

“ ‘Club member’ or ‘member of a club’ means a person who, whether as a charter member or admitted in accordance with the by-laws or rules of a club, approved by the Commission, has become a member thereof, who maintains his membership by the payment of his regular periodic dues in the manner provided by such rules or by-laws and whose name with his address is entered on the list of members supplied to the Commission at the time of the application for a club license under this Act, or if admitted thereafter, forthwith after his admission.”

In 1938 the Legislature acting on the recommendation of the Attorney-General, amended what is now S.112 of the Act to grant power to the Commission (among other powers) to prescribe and regulate the class or classes of membership permissible, the fees for the various classes, the limitation on the number of any class or classes, and to prohibit any class or classes. The prescription for membership based on this amendment varied according to division in which the club was classified. (The classification of clubs will be discussed separately.)

The prescription for club divisions as promulgated under S.112 was explained by the G.L.C. Commission as follows:

### Division I:

Since this group of clubs sell very little beer and there has been no complaints regarding their operation, the Commission has not seen fit to impose any limitations on membership.

### Division II:

The broad membership of this group of clubs made it necessary to set down certain wide requirements as follows:

#### (1) active membership is open to:

- (a) any person of good character who has served during any of the wars of the Empire in any of Her Majesty's Forces or Auxiliary Forces and who has received an honourable discharge therefrom;
- (b) any British or naturalized British Subject who served in any of the Allied Forces on active service during World War I or World War II;

- (c) any person of good character who has served in any of Her Majesty's Army, Regular or Auxiliary Forces and who has been honourably discharged therefrom;
  - (d) Any member of the Royal Canadian Mounted Police who has served satisfactorily with that body for a period of not less than 3 years;
  - (e) any ex-member of any of the Forces of any of Her Majesty's Allies who served during World War I or World War II, and
  - (f) any person who has served in any of Her Majesty's Regular or Auxiliary Forces;
- (2) honorary membership in these clubs is open to any person who has rendered outstanding service to service men during and after World War I and World War II, and who has shown exceptional interest in the advancement of the aims and objects of the veteran's organizations. The number of honorary members must not at any time exceed 10% of the regular membership of any of the respective organizations or branches thereof.

#### Division III:

In this Division there may be two classes of membership: full membership and limited form membership.

Full membership shall be that granted to persons admitted in accordance with Section 2 (6) of the Government Liquor Control Act of 1928, and entitled to all rights, benefits, and privileges of the club.

Limited form membership shall be granted to persons admitted in accordance with Section 2 (6) of the Government Liquor Control Act but not entitled to all rights, benefits, and privileges of the club.

The minimum fee for full class membership shall be \$6.00 per annum payable on a monthly basis of 50 cents per month.

The minimum dues for a limited membership has been set at \$1.00 per annum, payable 25 cents quarterly. The number of limited class memberships shall not at any time exceed 50% of the full memberships, but in this computation wives of members shall not be included.

The organization shall require that all members be supplied with a membership card, which is to be endorsed when the installment of dues is paid, with date thereon.

All clubs are now allowed guest privileges. The Act provides that a club member may purchase beer for his guest or guests in the club, but for only two guests at a time. Every guest shall have the privilege of consuming beer in the licensed club premises. At no time can the total number of guests exceed 10% of the resident membership of the club. (Note: The term "resident" here used was adopted from the by-laws of certain clubs and means a regular member dwelling within 50 miles of Winnipeg. In actual practice the G.L.C. Commission has interpreted it to mean "full class members," a classification already discussed under "membership.")

The names of guests, admitted to licensed club premises, must be entered in a visitors' register along with the name of the member inviting them and the date.

Prescriptions concerning guests which followed the amendment of 1938 differed for each division of clubs.

### **Division I.**

These clubs having operated to the complete satisfaction of the G.L.C. Commission "it was not deemed necessary that restrictions be imposed."

### **Division II.**

In 1953 guest privileges for both males and females were extended to these clubs. The result has been a considerable increase in beer sales in most clubs of this division. Furthermore, while this extension of privilege was probably made in answer to a demand for a place where women and men might drink together, the consequence has probably been an increase in the demand that mixed drinking for the public at large be provided.

### **Division III.**

Several specific prescriptions were made for guests in clubs of this division as follows:

The number of guests for whom beer may be purchased under the Act shall not in any calendar month exceed 75% of the full class membership of the club.

A guest register, as prescribed by the G.L.C. Commission, shall be kept at the entrance of that portion of the club premises licensed by the Commission, such register to set forth accurately at all times, the names and addresses of such guests and the name of the member introducing the guest. This guest register for the previous week must be forwarded to the Commission each Monday.

The careful restriction of guest privileges as outlined above resulted from the fact that from 1931 onward, clubs in Division III moved to increase membership by the admission of Associate Members, both male and female, for the nominal fee of 25 cents yearly. This procedure, in due course of time, led to almost unlimited admission of such members and to the indiscriminate entertainment of guests on their licensed premises, so that the premises became practically open beer parlors in contravention of the principle of the Act. There was a marked increase in beer consumption in such clubs. In the absence of other outlets for on-premise mixed drinking this condition was almost inevitable. It is probable that the provision of other outlets for mixed drinking would solve a great many of the serious problems associated with guest privileges, but the G.L.C. Commission should certainly still be empowered to exercise reasonable control over it.

### **Division of Clubs.**

Precisely the broad interpretation of the meaning of membership and of guest privilege discussed above led to the amendment to the Act in 1938, which



provided, among other things, for the division of all clubs into classes. The amendment empowers the G.L.C. Commission specifically:

- (a) to prescribe the class or classes of clubs which may be licensed;
- (b) to prescribe and regulate the class or classes of membership permissible, the fees for the various classes, the limitation on the number of any class or classes and to prohibit any class or classes;
- (c) to prescribe and regulate the privileges of guests and to limit the number of guests for whom beer may be purchased by club members in any period or periods;
- (d) to prescribe the records to be kept in clubs;
- (e) to prescribe the returns to be made by clubs and the information to be contained therein and the manner of the verification of the returns;
- (f) to provide for the supervision and regulation of the operations and the premises of club licensees;
- (g) to grant, refuse, cancel or suspend club licenses.

Division of clubs into classes was made after a consideration of their respective nature, functions and membership.

The classifications established were:

**Division I.**

Consisting of certain of the incorporated clubs and all golf clubs.

**Division II.**

Consisting of all veterans' clubs; and

**Division III.**

Consisting of other incorporated clubs (mainly ethnic group clubs.)

The control measures exercised over each class of club are as follows:

**Division I.**

In view of the fact that the consumption of beer in these clubs is very limited and the G.L.C. Commission has received no complaints concerning their operation, these clubs are not subject to any administrative orders by the Commission and operate wholly under the general provisions of the Act respecting club licenses.

**Division II.**

The main prescriptions placed on this division concern membership and guest privileges and have already been discussed.

### Division III.

These clubs are subject to the following administrative orders in respect to their operations:

- (1) There is a limitation as to the class of membership permitted and as to the number of members admitted other than regular or full time members in the club;
- (2) The membership fees for the different classes of membership are set by the Commission;
- (3) The number of guests permitted in the club is restricted by the Commission in addition to the general restrictions in the Act;
- (4) The Commission requires that all business and proceedings of the club be recorded in English or French;
- (5) Each club must twice yearly submit to the Commission a detailed record showing the volume of beer purchased, the gross revenue therefrom, the details of operating expenses charged to the licensed part of the club premises and the receipts from membership fees and the net revenue resulting therefrom;
- (6) The Commission also requires in some cases that the statements submitted under the heading (5) be audited statements satisfactory to the Commission.

The Commission has also, by administrative order, prescribed the number of incorporated clubs (not veterans' clubs) that may be issued licenses in the various area of the Province as follows:

- (1) in the City of Winnipeg one license for each 13,800 of the population;
- (2) in municipalities contiguous of the City of Winnipeg, one license for the first 15,000 or fraction thereof, and one license for each additional 15,000 of population or fraction thereof;
- (3) in other places, one license for the first 2,800 or fraction thereof, a second license for the next 2,800 or fraction thereof up to 2,600, a third license for population of at least 11,300 and a fourth license for a population of at least 16,800 and one license for each additional 14,000 of population (2 and 3 have not been amended since prescribed in April, 1938.)

### Clubs Today.

In 1954 there were 73 licensed clubs in our Province. Of these there were: 9 incorporated clubs and 10 golf clubs in Division I; 43 veterans' clubs in Division II; and 11 clubs in Division III. That number of licensed clubs has increased from 32 in 1928 to 73 at present suggests that they play an increasingly significant part in our culture. The total beer consumed in all clubs was only 9% of all beer purchased from the G.L.C. Commission in the Province, a fact which suggests that the primary function of the clubs generally is not drinking. In the judgment of the administrative officials, the clubs on the whole are well conducted. That Government control is, nevertheless, necessary is shown by the fact that since 1928 licenses of 5 clubs were cancelled; 55 licenses were suspended; and 53 reinstated.

Beer purchases made by clubs in Manitoba during the last five years were as follows:

| Year Ending<br>March 31st | Total Purchases<br>by Clubs | Total Purchases<br>by All Licensees<br>from G.L.C.C. | Percent of<br>Clubs'<br>Purchases<br>to Total<br>Purchases |
|---------------------------|-----------------------------|------------------------------------------------------|------------------------------------------------------------|
| 1949.....                 | \$ 783,318                  | \$12,483,302                                         | 6.3                                                        |
| 1950.....                 | 872,113                     | 13,276,598                                           | 6.5                                                        |
| 1951.....                 | 917,131                     | 13,323,656                                           | 6.8                                                        |
| 1952.....                 | 1,052,938                   | 14,776,502                                           | 7.1                                                        |
| 1953.....                 | 1,186,025                   | 15,873,936                                           | 7.5                                                        |
| 1954.....                 | 1,456,756                   | 16,413,009                                           | 9.0                                                        |

(The clubs pay the same price for their beer that hotel licensees pay, although the manner of collecting it differs.)

The significant increase shown here for the last year was accounted for in part by increased consumption in Veteran's Clubs since the granting of guest privileges to them. This fact is indicated by an increase of purchases by Veterans' Clubs of 47% as compared to an increase of only 43% for all clubs. In only two of the veterans' clubs was there a decrease of beer purchases in this year. On the other hand 8 of the 43 clubs show an increase of over 50%. Two of these are notable in the first case the increase was from \$17,306.12 to \$30,562.92 or 76.6%; and in the other, from \$7,013.50 to \$13,107.12 or 86.88%.

Because the extension of guest privileges to veteran's clubs has been the most important change to affect clubs in recent years, a few observations concerning its results are in order. It has been reported to this Commission that the presence of women in these clubs has improved the atmosphere, the loud talk and objectionable language have decreased and that men dress better. On the other hand, several veterans' clubs are now planning expansion as the apparent result of the increased drinking in the clubs which has followed the establishment of guest privileges. There has been a suggestion that some of the veterans' clubs are tending to become mixed beer parlors and to lose sight of their original purposes. This suggestion is given weight by the two examples of excessive increase already cited. This development will bear watching. The establishment of other outlets for on-premise mixed drinking would undoubtedly affect future developments, but whether it will completely check the unhealthy trend that some claim to have detected, only the passage of time can tell.

The breweries have taken an interest in clubs as they have in hotels. In 1928 one brewery had made loans to 3 Legion clubs and one other; by 1940, 3 breweries had made loans and 10 clubs were involved; in 1954, five breweries had made loans to 30 clubs, 23 of which were veterans' clubs. This is a significant trend even though the total amount loaned is still relatively small, being slightly less than \$200,000.

Two important observations are pertinent in any discussion of brewery loans to clubs: (1) A brewery loan to a club can assure a complete "tie" since clubs are under no obligation to sell various other brands. This does not seem of great importance at present, but if a strong competition develops between breweries, the picture may change gravely. (2) A strong objection to "tie" on this continent has been the political influence it enables breweries to attain. It is our opinion that such influence seems to be little indicated in public outlets in the Province, but that it is very possible that "good will" and even more direct influence could be achieved in clubs. The Royal Commission on Licensing (England and Wales) recommend "absence of any 'tie' or understanding amounting to a tie (522, e)" in clubs, and we feel that a like restriction might be advisable in Manitoba.

### **Manitoba Opinion.**

Although clubs play a significant role in the life of part of the people in our Province and they are a part of our culture that cannot be ignored, most people are not seriously concerned with them. The result has been that very few of those who appeared before this Commission expressed any opinions about them. Those opposed to drinking in general, were opposed to the growth of clubs and particularly to the extension of guest privileges to women. On the other hand, others pointed out that female guest privileges were discriminatory since they granted to club members a privilege denied to the public at large. One labor union requested legal provision for a club license on the grounds that they operated substantial club room quarters and filled a proper club function with regards to members' welfare and social activities. They said that they periodically obtain banquet permits for functions attended by members and their wives, and asked that they should be legally allowed to apply for a club license.

Differences in treatment of the different classes of clubs was objected to by clubs from Division III. They complained that they were inspected with embarrassing frequency while clubs in Division I were unmolested. Further, there was complaint that members of certain clubs in Division I kept hard liquor in private lockers and consumed it illegally without interference from the law. The majority of replies to questions sent out by the Chamber of Commerce favored the licensing of certain clubs for serving hard liquor.

It was generally conceded that clubs were well administered in Manitoba with the occasional exception. It was further noted with gratitude that our Province forbids proprietary clubs organized solely for the sale of liquor. Clubs of this type have tended to defeat the spirit of the Liquor Control Act in some other Provinces.

Some other Provinces impose less restriction on clubs. In Newfoundland, Quebec and Alberta, for example, Sunday sale of beer in clubs is permitted. In British Columbia and Nova Scotia club members are allowed to have hard liquor legally in their lockers.

In the Provinces of Alberta, Nova Scotia, Saskatchewan, and British Columbia, where there is a supper closing hour for beer parlors, clubs with beer licenses are not required to close during that period, whereas in Ontario they are required to do so.

In the United States clubs are generally treated as another type of on-premise outlet, and regulations concerning them vary as widely as they do for other outlets.

In all Anglo-Saxon countries careful consideration is given to the requirements of membership as a means of assuring the social nature of clubs and preventing the establishment of associations for the mere purpose of drinking. Like attention to guest privileges is also important.

Royal Commissions on liquor in New Zealand, New South Wales (Australia), and in South Africa gave careful consideration to clubs and make one finding that is relevant to the Manitoba situation. Clubs, they say, are a part of the whole on-premise outlet problem, and any licensing should consider harm that may be done to properly established commercial outlets and to the need for any further on-premise outlet in the area. These matters might well be kept in mind by the G.L.C. Commission in any further club licensing.

The Commission was in general satisfied with the conduct of clubs, but felt that some provisions in the Act and Regulations with respects to clubs and some of the special prescriptions for clubs set out by the G.L.C. Commission should be reviewed.

For example the minimum annual dues for a limited member of a club in Division III of \$1.00, especially since it may be paid in quarterly instalments of 25 cents, seemed to some members of the Commission to provide the possibility of abuse. The Commission is aware that limited memberships are often associated with insurance and that they are, furthermore, restricted to 50% of full membership. We feel nevertheless, that this matter might still be reviewed by the G.L.C. Commission.

The Commission also felt that some discretionary power should be left with the G.L.C. Commission concerning the three year waiting period before a new club may be granted a license.

It was the opinion of a minority of the Commission that clubs qualifying for the potential new types of licenses be charged only a basic club license fee, and that they should not be charged any additional tax or fees on their purchases of wines or spirits. The majority view was that there should be no change from the present practice viz: that there should be no discrimination as to fees for the same type of license.

### **Military Canteen Licenses.**

The authority for the granting of a canteen license and the conditions attaching to such a license are found in S.121 of the Act which is self-explanatory:

“121 (1) The Commission may grant, in accordance with the provisions of this Act, a license, in the prescribed form, to the person in control of a military canteen upon application therefor in the prescribed form to the Commission and upon the payment of a fee of two dollars. The application shall have endorsed upon it the written approval of the officer commanding the military unit or units in respect of which the canteen is operated and his undertaking that the canteen is and while licensed will be operated under direct military supervision and control. No canteen license shall be granted except upon

the written approval of the District Officer Commanding, and upon such conditions and restrictions not inconsistent with this Act, and the regulations as he may set out in the written approval.

- “(2) A license granted under this Act in respect of a military canteen is authority for the canteen licensee to purchase beer from the Commission and to have, keep for sale and sell the beer so purchased by the glass or open bottle, to members only of the military unit or units in respect of which the canteen is operated, the purchase, having, keeping for sale, and consumption to be in accordance with such rules not inconsistent with the provisions of this Act and the regulations, and upon such days and within such hours as may be prescribed by the District Officer Commanding.
- “(3) No beer shall be sold or consumed in a part of a military camp, armoury or barracks other than in the military canteen thereof and there only on the days and within the hours in which the canteen is not forbidden to sell beer.
- “(4) No canteen licensee or person shall employ any one under the age of twenty-one years in the sale, handling, or serving of beer upon canteen premises.”

These licenses are available to persons in charge of canteens operated by units of the three branches of the Canadian Armed Forces, either permanent or non-permanent (active or reserve) so long as the application is endorsed by the General Officer Commanding the branch of the service concerned.

It should be noted particularly that by the terms of the Act such a license authorizes the sale of beer only in canteens, However. in 1940, as a result of representations from senior officers of the armed forces and with the concurrence of the Attorney-General, the Commission authorized the issue of additional permits to the General Officer Commanding of the three branches of the service enabling them to purchase and sell in officers' messes spirituous liquor and wine. In February of 1949, this privilege was also extended to Sergeants' Messes. The remaining canteens, i.e. Corporals' Canteens and Ordinary Ranks' Canteens all serve beer but are allowed by the Commission to serve wine as well on request.

The Commission adopted the following administrative practices in connection with military canteens:

- (1) At the first of each month, the Commission is advised by the General Officers of the three services, the numerical strength of various messes under their command.
- (2) The Commission then establishes the quota of liquor or wine on a per capita basis that may be purchased for use by Mess Members and advises the Officer Commanding the individual unit of the quantities that may be purchased.
- (3) The individual mess then forwards to the Commission an order (or part order) for the amount of liquor or wine which may be purchased, and the order is then delivered by the Commission or shipped as the case may be, under authority of the permit issued the General Officer of the Service concerned.
- (4) No purchases under authority of this permit are permitted except by direct advice and order of the General Officer Commanding and

delivery or shipment is made only from Head Office of the Commission or the main subsidiary branches of the Commission in urban centres outside Greater Winnipeg.

From the foregoing it is apparent that military canteens have been accorded privileges much wider than are allowable under the Act. If, under any future legislation, it is deemed advisable to allow these establishments to continue to sell spirits, wine and beer, then provision should be made for such sale in the Act. The present Act contains no authority for the policy which is being followed. If, as it appears, there was general agreement that spirits should be served in military canteens, then the Act should have been amended accordingly to permit that practice. Nonetheless, it is suggested that when the Legislature had specifically stated what the authority of a canteen license was to be, that authority should not have been extended by administrative decree and without reference to the Legislature.

In addition to the conditions laid down in S.121 of the Act military canteens are, of course, subject to military requirements in The National Defence Act and regulations and to administration orders of district officers commanding and commanding officers of units and establishments. One of the problems which arises in this regard is the serving of liquor to persons classed as "minors" under the Government Liquor Control Act. While the military authorities have attempted to deal with this problem, it can safely be said that little has been accomplished among their own personnel. Civilian minors (guests, civilian employees, etc.), however, are specifically prohibited from consuming liquor in military institutes, and enforcement of this prohibition is made mandatory.

### **On-Premise Outlets and the Drinking Pattern.**

In considering what outlets were most desirable for Manitoba in the future, this Commission was very mindful of the statement made by a number of those who appeared before us that an increase in the number and variety of outlets would produce a greater liquor problem. The logic of this statement is strongly convincing and those who presented it were among our most concerned citizens. The Commission, therefore, investigated this assumption very thoroughly. British Columbia and Ontario presented examples of the dynamic working out of such change. In the case of British Columbia the revision of the law was too recent for the evidence of what will happen in the long range to be clear. From Ontario came conflicting reports with figures and eye-witness accounts to support each side. It was the final impression of the Commission that Ontario had only one clear lesson to teach: that any change demands the greatest discretion and wisdom on the part of liquor administrators with a strong emphasis on moving slowly even in the face of strong public demand.

Since these two examples of change provided no great help, it was necessary to look at the experience of countries with differing numbers and variety of outlets, though these have been established for some time. In doing so it was necessary to establish an index by which to measure the intensity of alcohol problems. The only one uniformly available was the incidence of alcoholism. It will, therefore, be employed in the following observations. This Commission is aware that alcoholism is

not the only problem alcohol produces, but we believe that it is a fairly reliable measure of other problems, and any additional information available on a country will be indicated.

The most notable examples of stringent control are found in the Scandinavian countries where there is about one on-premise outlet to every three thousand persons (approximately the same as in Manitoba) with severe regulation of off-premise distribution. With such control, Sweden has the third largest incidence of alcoholism in the world; Denmark, the fifth; and Norway, the seventh. Highway accidents and violence associated with drinking are real problems in these countries. Of the liquor consumed by those whom the State considers problem drinkers in Sweden, it said that over 90% is purchased illegally. This suggests that Scandinavian controls are not producing the effects for which they were established. That this is true is indicated by the abandonment of the "motbok" system in Sweden this year. It is surely significant that a people not unlike us in culture have begun to abandon a system of rigorous controls which has been in existence for many years and which had strong popular support. No other countries have had so few on-premise outlets as the Scandinavians except Canada. Canada, it should be noted, occupies sixth place as regards alcoholism.

At the other extreme two countries are notable. France, which has the highest rate of alcoholism and the most urgent alcoholic problems today, has one outlet for about every 86 persons. Switzerland, which rates fourth in alcoholism, has one outlet for about every 120 persons. There is, however, a notable difference between these countries. The Swiss Government, recognizing the economic importance of the fruit industry, has subsidized the manufacture and sale of non-fermented fruit drinks. It has further encouraged the establishment of "temperance" hotels and restaurants, and sponsored a wide program of public education concerning alcohol. The prognosis is good; vast improvement in Swiss drinking habits are evident in recent years as a result of this policy. On the other hand, the wine-producers of France have such strong representation in the French government that they have not only been able to defeat any efforts to combat the abuse of alcohol (as they helped defeat the government of Mendes-France this year) but they have been able to procure government subsidy of wine production and distribution similar to that given to agriculture in this country. It is generally conceded that there is little hope for improvement in the French drink problem in the immediate future.

Between these two extremes lie the sanest drinking countries in the world. Italy with practically no drink problem, has a law that provides no more than one establishment for every four hundred but actually supports one for every five hundred. England, whose drinking habits have been commended above all those of peoples with similar cultural and social habits, has about one outlet to every 725 persons. Before drawing conclusions from this material, it should be observed that it was difficult to determine the number of outlets in the United States, which has the second largest alcoholism rate in the world. It seems likely that it has very nearly the same number as the United Kingdom, but the number may be higher. Moreover, in the United States this average results from a great diversity of regions with a range of from very few or no outlets to a great many indeed.



It may seem from the above account that excessive outlets are accompanied by excesses in drinking, but it is inconceivable that Manitoba will ever have outlets approaching one for every 86 persons, one for every 120, or even one for every 300. On the other hand it is also apparent that excess is possible with as few outlets as Manitoba now has, that indeed all countries with so few outlets do suffer from excesses. The Commission found it very interesting that the best drinking records were held by countries like England and Italy with one outlet for every 500 to 800 persons. Certainly this number of outlets is not incompatible with sane drinking. Other factors which probably must contribute will be mentioned presently.

It is necessary now to consider the argument for the increase in numbers of outlets in Manitoba. Essentially, except as concerns variety, there is one argument only: that the number of on-premise outlets should approximate that necessary to provide decent, uncrowded accommodation for all citizens who wish a sociable drink by the glass in a club or public outlet. If there are fewer outlets than this, the first result will be a tendency to increase the size of existing outlets. This has already happened in Manitoba. We found general agreement among those who have studied the problem that smaller places tend to encourage more moderate drinking and more rational, desirable drinking habits. A visit to any of Greater Winnipeg's "super-market" beer parlors will make obvious a number of their socially undesirable characteristics. But the more acceptable small places, free from excessive noise, where friendship, neighborliness and quiet social contacts can grow, can come into existence only by increasing the number of outlets. This is especially true where, as in Manitoba, there are so few outlets in proportion to the population.

If it is determined that the number of outlets shall remain inadequate to the drinking population, two alternatives are possible (1) The public can be crowded into existing outlets. Besides the fire and sanitary hazards such an arrangement causes more excessive drinking, more frequent violence, and other socially undesirable consequences always result from such conditions. Careful check on minors and intoxicated persons becomes impossible. Light, airy, spacious drinking places are everywhere acknowledged to be the ideal. (2) The public can patronize (and, indeed, will patronize) the bootlegger who provides more decent surroundings. The undesirability of this hardly needs comment, but it may be mentioned that no business is more dependent on the various dissatisfactions of his clientele than the bootlegger is.

Concerning the variety of outlets, the Commission found no evidence that variety affected amount consumed or the problems arising except insofar as a certain type of outlet in itself seemed designed to encourage drinking. It was agreed by all with whom this Commission talked in other places and by all authorities (including the famous Royal Commission on Licensing "England and Wales"), that the type of outlet which encouraged increased consumption and excesses was that in which drinking played a primary rather than a secondary role. Since Manitoba has at present only beer parlors, a type of outlet in which drinking is not only the primary activity but the sole activity, it is plain that no other type of outlet which might be established could be so conducive to poor drinking habits as that which we already have.

Since number and variety of outlets did not seem to be the sole explanation for the varied drinking habits of peoples, it was necessary for this Commission to consider the place which public and social drinking occupies in people's lives with the hope that this might throw further light on the question. A number of the reasons why men drink seems pertinent to an understanding of the conditions under which they are likely to drink most wisely and decently.

The most common drinking in public places normally is that which is incidental to other activity. People drink with meals, in part to stimulate the appetite, but more importantly because drink serves as an additional refreshment. A person drinking with his meals is likely to be more interested in having a drink that blends well with the food and unlikely to be interested in excessive consumption. In Italy and Spain where excesses are very rare drink is almost never consumed except with food. The salutary effects of the consumption of food with drink has been discussed before this and will be referred to again presently.

People drink when they dance. The exercise involved in even sedate ball-room dancing stimulates thirst. Many people prefer an alcoholic beverage at such a time. Dancers, however, are interested in the dance, and drinking is decidedly incidental.

Certain solemn occasions in man's life are commonly celebrated with toasts in alcoholic beverages. For many people the warmth and relaxation of alcohol are a deeply ingrained symbolic part of marriages, the celebration of the successful completion of an enterprise, the meeting of old friends, and similar occasions. Again the drinking is usually secondary.

For a great many people drink is a natural part of any convivial gathering; and such people, coming together to satisfy the normal gregarious instincts of man, are likely to be more concerned with companionship, conversation, and games played together than in drinking.

On the other hand some people go to public drinking places to escape the drabness or the unhappiness of their homes. It has been noted by many experts that better home environment in this century has been one of the salient reasons for the reduction of drinking, and that concern for the home life of people is central in a concern about alcoholic excesses.

The boredom and dullness of people's lives in general encourages them to drink, especially in public places where they may meet with friends and companions. The unspeakable working conditions of past times undoubtedly led men to drink in order to make life somehow endurable. The routine nature of many modern jobs causes workers to drink to make life interesting. But the needs that such people seek to satisfy can be met by other activities than drinking or even more readily where drinking is only a secondary activity.

Prof. Hermann Levy in his brilliant book **Drink: an Economic and Social Study**, lists what he calls "moderating influences and counter-attractions" to drink. He notes that directly connected with the home are the garden and the radio (to which we would now add television). Prof. Levy points out that gardening in the new housing developments around London so reduced drinking that brewers

argued for extension of permitted hours so that men might be permitted to drink after it was too dark to garden. While the precise effect of radio and television are hard to determine, it should be obvious to anyone that the man deeply engrossed in a program will forget to empty his glass even if he bothers to provide one. This is true alike in home and in public drinking places.

Outside the home, motion pictures, sports, games, and communal enterprises tend not only to consume time which might be spent in drinking but provide satisfactions which remove the need to drink.

This Commission feels that the encouragement of these counter attractions should be the concern of socially minded citizens and of the government. Insofar as they occupy a greater place in the lives of Manitoba citizens, they will serve more to reduce drinking than the establishment of outlets of any type.

The establishment of public parks and other places of community recreation is obligatory for a municipal government which is concerned with drinking problems. Likewise it is certain that gardens and the gardening habit are safeguards against a great deal of drinking, and this is a matter with which the government might concern itself in urban centres.

The focal point of all effort to make counter-attractions serve to reduce drinking will, of course, be the educational program. Effective alcohol education in the future will emphasize a positive program, will stress the great value and pleasure of other activity, and will bring drinking into proper focus as an acceptable secondary activity in man's life.

In the light of the foregoing discussion and certain facts discussed in other portions of this report, it is now possible to describe the types of on-premise outlets which this Commission feels the law should, where the majority of voters have signified their desire for them, permit Manitoba citizens to have in any community.

## **ON-PREMISE OUTLETS**

### **Local Option**

In considering the problem of on-premise outlets, this Commission agreed that the opening of such an outlet of whatever type is a matter of concern for the entire community in which the premises are located. We recognized that with present day transportation, local option areas were no longer effective in preventing persons living in such areas from frequenting public drinking places. It remains true, however, that the local option area did have a discouraging effect on such practices. But more significantly yet, we saw that even a person who approved of the existence of on-premise outlets might very well feel strongly opposed to the location of one in his own community. In recognition of this, we felt strongly that no on-premise outlets should ever be opened without the approval of a majority of citizens in the area; and, therefore, the local option principle should govern the licensing of any and all such outlets.

### **Beer Parlors**

Of those appearing before the Commission a number spoke in favor of the beer parlor as it now exists. Their argument was that it was sufficient for the needs

and any other type of outlet would tend to increase drinking. They further objected to the introduction of food on the implied principle that it would make the beer parlor a more attractive place. A large number of those who offered opinions on the parlors, however, felt that it would be a very salutary thing to have non-alcoholic drinks and light refreshments served in them. With this we are in agreement. Of the various elements contributing to sane and moderate drinking habits, food is the most effective by far. It serves this function in a number of ways. First of all, food in the stomach greatly slows the absorption of alcohol into the blood stream and thereby decreases the degree of intoxication. Second, food provides a counter-attraction to drinking, i.e. a man who is eating drinks less because he is engaged in eating. Third, food taken with drink lessens the danger of the dietary deficiencies that are one of the grave dangers of drinking.

Another strong argument for serving snacks and non-alcoholic drinks in beer parlors is that they provide an alternate type of refreshment for the persons who accompany a drinking group but do not wish to drink. Under the present system which permits nothing except beer to be served, it is undoubtedly true that men wishing to remain with their friends often go into beer parlors and drink when they would rather eat or indulge in fruit juice or soda. One of the chief needs of man served by beer parlors is his need to gather with his fellow man in companionship, and it is the opinion of this Commission that he should be able to do so without the encouragement, almost the necessity, of drinking an alcoholic drink.

Because of the cogency of these arguments, the Commission agreed that beer parlors should serve soft drinks, fruit juices, and light food refreshments both as a convenience to customers and as a step to encouraging more moderate drinking.

The research of the Commission into the findings of those who had studied the question before us disclosed unanimous agreement that any other interest or activity which accompanied drinking tended to moderate the drinking. We felt it, therefore, a wise thing to approve the suggestion made by some who appeared before us that radios, television sets, record players, and vending machines be allowed in beer parlors.

The establishment of "permitted hours" in England during the First World War established clearly one means of encouraging moderate drinking habits. The effect of this regulation was to close all pubs during some hour of the day. This closing had the psychological effect of a pause in which the drinker had to consider whether he would continue to drink when it was again possible. Physiologically it is wise to drink at longish intervals; and any interruption, whether food is taken or not, is a healthful one.

The report of visits made to beer parlors quoted earlier mentions the uncleanliness that is rather common during the rush hours. A closing period, it was observed, provides an ideal time to restore order and neatness.

Supper closing time is observed already in many rural points in this Province and in all other Provinces except Quebec, and our observation of the effect of such arrangement impressed us. In Ontario, where other on-premise outlets serve during these hours, it was observed that there was no tendency for drinkers merely to move

from one place to another, that in fact the closing hour did stop many drinkers for the time.

In view of these facts, the Commission approved the suggestion made by many that beer parlors should be closed at the supper hour.

A number of those appearing before the Commission expressed opinions concerning mixed drinking in beer parlors. Practically all who opposed further outlets also opposed mixed drinking. On the other hand the majority of those who answered questionnaires sent out by the Chamber of Commerce in Winnipeg and throughout the Province were in favor of mixed drinking.

The Manitoba Hotel Association spoke strongly in favor of mixed parlors:

"Why one law for a member of a club, another for the rest of our citizens. If it is good for a woman to be admitted to a club, then why should not the same privilege be accorded to the woman who wishes to accompany her husband on licensed premises?"

"Our industry faces intense competition now from clubs, canteens, etc., by virtue of the fact that they may sell to both males and females. In addition they have privileges which are not enjoyed by hotel licensees; music, food and games. It is conceivable that now television has arrived, they will be permitted to install such sets for the entertainment of their patrons."

This argument that members of clubs were granted a privilege denied to the general public was presented by private citizens as well as hotel owners. There was, however, a complaint from some male citizens that to allow mixed drinking in parlors would destroy this last "stronghold for males only."

The Commission, having surveyed the on-premise picture as a whole, felt that, while some of the present beer parlors were attractive, many were not acceptable for women. We decided, therefore, that though women must be recognized as citizens having equal rights with men, the privilege of public drinking should not be extended to them in beer parlors but in any of the other permitted outlets where such are established by majority vote.

Objections to certain features of beer parlor operation, such as serving a "short" glass, were taken note of and are dealt with in the Recommendations.

### **The Association of Alcoholic Beverages with Food.**

The discovery of fermented beverages was a consequence of man's search for food-and-drink, and the use of these beverages has been associated with eating in all places and in all ages. At the present time, we were informed by Dr. E. M. Jellinek, world authority on alcohol and its problems, the best drinking habits prevail in those countries where custom makes drinking without food unthinkable. The English attribute the improvement in their drinking in recent years in part to the success of the effort to associate drink and food. In many States of the United States it is positively prohibited to serve any alcoholic beverage unless food is also available. The reasons why this association is salutary have already been discussed, and acknowledgement of the principle is made in the recommendation that food be available in beer parlors. Drinking incidental to a meal is less productive of inebriety than any other kind of drinking because it combines the fact that food is

taken with the drink and that the drinking is secondary to another activity. The argument that food should be served with drink is, therefore, a very sound one. It has been pointed out that legislation alone does not change people's habits; it can only direct them. To provide legislation that will permit liquor with meals is not to recommend but only to endeavor to establish a more sane drinking habit than drinking without food.

Other than the general argument against any new outlets, the only argument presented to the Commission specifically against alcoholic beverages in restaurants was that drinking would be offensive to many who wished to use restaurants. For urban centres this argument has very little validity since obviously not all restaurants would be licensed, and those opposed to drink would find many places where drinks were not served. In rural areas the problem is somewhat different. The local option provision, however, offers some protection to those opposed to eating where drink is served. There is further the certainty that where there is sufficient demand for a restaurant without drink, some shrewd restaurateur will provide one.

The matter of drink in restaurants gave rise to another and very serious consideration: many people like such strong drinks as cocktails, brandies, and liqueurs before, with, or after meals. Strong drink is much more often a cause of excesses and other problems than lighter drinks, and it, accordingly demands serious concern. It was the opinion of this Commission that drinks should be divided into two categories: 1. beer and light (or natural) wines, and 2. fortified wines and spirituous liquors. Outlets handling each category will be dealt with separately.

### **Restaurant Beer and Wine License**

In accordance with the arguments presented above, the Commission felt that where a majority desired it, restaurants of high standard might be granted license to serve beer and wine with meals to adults of both sexes. (For the reason set down above, wine here shall mean wine of not more than 14% alcoholic content by volume. Stronger wines, i.e. fortified wines, which contain alcohol added to that achieved by natural fermentation, belong in the category of strong drinks. Many such wines contain over 20% alcohol by volume, and these produce some of the results associated with hard liquor.) These licenses should provide adequate restaurant facilities serving alcoholic beverages to meet most needs, but warning should be given that such licenses should be issued with restraint and in limited numbers at first.

### **Beverage Room Licenses**

The restaurant beer and wine license provides for a type of mixed drinking which this Commission feels is vastly to be preferred to establishing mixed beer parlors. In these outlets, however, drink would be served only with meals. It seems certain however, that there will be demand for mixed drinking with only light refreshment or without food. This demand would be best met by the establishment of a beverage room, a preferable type of beer parlor where beer and wine may be obtained by both sexes. Since the Commission felt that such drinking is more susceptible to undesirable developments than the restaurant drinking with meals, we recommend that beverage rooms be permitted only in a portion of the restaurant

premises physically connected with the dining room where food will be readily available. If such licenses are granted, it will be a duty of the Government Liquor Control Commission to see that these rooms do not grow to excessive size nor take on the objectionable aspects of mixed beer parlors. Such licenses should not be granted except to restaurants holding beer and wine licenses.

Drinking in beverage rooms, because of the moderating influence of women and the proximity of food is considered to be preferable to drinking in beer parlors. It is, therefore, recommended that where there is majority demand for a new outlet, a beverage room license is to be given preference over that of a beer parlor.

No stipulation should be made as to the hours which a restaurant with a beer and wine license may remain open, but the service of drinks should be restricted to the hours from noon to midnight. The supper closing hour imposed upon beer parlors will, of course, not be effective in restaurants. In the interests of moderate drinking in the late hours, it is proposed that beverage room hours be only from noon until 10 p.m. This will assure that much late drinking will be "supper drinking" and less likely to be immoderate.

Minors cannot reasonably be excluded from the premises of what may very well be some of the better restaurants of the Province, but they cannot, of course, be served any alcoholic beverages. Nor shall they be permitted to enter the beverage room attached to any restaurant.

## Dining Room Liquor License

The introduction of distillation changed drinking habits of the entire Western World. In England it was followed by the wholesale alcoholic debauchery described in Chapter VIII. It has been a central factor in all alcoholic excesses since. Only in rare cases have beer or wine contributed to any except occasional excesses. With these facts in mind, the Commission considered seriously the whole question of granting any permitted licenses for on-premise consumption of the beverages with higher alcoholic content. Several facts argued on behalf of such outlets even against the strong opinion of many that none should be permitted. First, it is a well-known fact that hard drinks are more popular and widely accepted in northern climates. This is natural because of the rigors of the weather. Furthermore popular taste on this continent favors strong drink. In spite of this, it might have been wiser for this Commission to recommend that no outlets for the on-premise consumption of hard liquor be permitted under any circumstances if it had not been that we had repeated and substantial evidence presented to us that many Manitobans, and of them many who are otherwise law abiding citizens, do now drink, and will continue to drink, hard liquor in public places. This might be a matter which law enforcement could control were it not generally acknowledged that the practice is so widespread and many of those who indulge in it are such otherwise reputable citizens that it seems unlikely that enforcement can really be achieved. In deference then to what is a strong demand, especially among certain parts of our population, and in the hope that such an arrangement will make control of hard liquor consumption in public a practical possibility, this Commission suggests that only a very limited number of high class restaurants be granted license to

serve spirituous liquor, subjected to the same local option restriction as other new licenses. It is our hope that if such licenses are granted, to the proper kind of places, it may end some of the present abuses without increasing the consumption of hard liquor.

The experience in the State of Washington after hard liquor by the glass was permitted seems to us significant. We recommend to the attention of those concerned with this matter the excellent article "Effects of Sale of Liquor by the Drink in the State of Washington" written by Charles W. Bryant, Director of Education of the Washington Liquor Control Board for the June, 1954 issue of the Quarterly Journal of Studies on Alcohol. We quote Mr. Bryant's Summary and Conclusions:

"As a result of a close referendum in 1948 the policy of permitting sales of liquor by the drink in restaurants was adopted in the State of Washington. In the ensuing 6-year period the per capita consumption of distilled spirits in the state declined slightly. At the same time there was a substantial rise in per capita income and a slight rise in the consumption of beer. There was no substantial change in arrests for drunkenness in the three largest cities in the state. There was a decline in the percentage of drinking or drunken drivers involved in accidents, while the proportion of fatalities in traffic accidents involving drivers who had been drinking rose.

"There does not appear to be any reason to assume that the legalization of liquor by the drink has reduced problems related to the consumption of alcohol. The indications are, however, that when such a law contains conservative provisions and is administered rigorously, the easier access to distilled spirits does not increase the desire for or the consumption of alcoholic beverages."

This Commission and members of its staff met Mr. Bryant and were favourably impressed with his ability and competence. It seems likely that the people of Manitoba will abuse this extension of privilege as little as the people of Washington. It is our opinion that Manitobans are essentially law-abiding, and that if a few of these permitted outlets come into existence we may hope to do away with the illegal "bottle under the table" and the very dangerous finishing that bottle which we know to be one of the serious problems now confronting the Province.

For the same reasons the Commission feels that where majorities approve, a limited number of cocktail lounges (associated with Restaurant or Dining Room Licenses), where beer, wine, and spirituous liquors may be served to adults of both sexes, may be licensed in a portion of the hotel or restaurant premises physically connected with the dining room area and in which food is readily available to the patrons.

Because of the greater potential for abuse offered by hard liquor, it is recommended that the hours for dining room service of liquor be limited to 5 p.m. to midnight and for cocktail rooms from 5 p.m. to 10 p.m. These establishments should be permitted to sell beer and wine, however, at all the hours at which such service is permitted elsewhere.

### **Cabaret License**

This Commission heard a strong plea for the licensing of night clubs, i.e. places where dance orchestras and live talent provide entertainment. We also heard



strong objection to these places. We were aware that such places need careful supervision to prevent the wrong kind of entertainment, and that, since liquor is the usual form of drink in such places, abuses were possible and likely under anything except the most responsible management.

As against these objections, however, is the fact that this type of place exists almost everywhere on this continent, and some people resent being denied what all others have. This resentment has given rise to the flagrant abuse of our present liquor laws by citizens in every walk of life. Responsible groups represented to us that bottles under the table were common in supper clubs and were brought there by respected and well-known citizens. The Commission knows that this allegation is correct. From this practice arise two serious consequences. First, it breeds contempt of the law in otherwise law abiding persons. Second, it causes excessive consumption when it is thought a large bottle must be finished before departure from such places. This last practice is serious and one which has caused great concern in the Province.

In view of these facts it seemed to this Commission that to grant permission for the licensing of a few cabarets if our people wished them would serve to reduce rather than to increase problems. The limited number of such places and the expense of this type of entertainment will, it is hoped, serve as effective restraints against widespread abuse. It is most important, of course, that the Licensing Board see that the number is limited, that the places are of the highest standards, and that the licensee is of excellent character and thoroughly responsible. Live entertainment shall be required, "juke" boxes and similar devices being quite unacceptable. Such establishments must provide full course meals for patrons. Beer, wine and spirituous liquors may be served to adult patrons of both sexes; but the onus shall be on the proprietor to see that minors are not served though they may be permitted on the premises. Since one of the reasons for granting permission for the licensing of such establishments is to end "bottle under the table" practice, it shall further be obligatory for the proprietor to see that no liquor is illegally brought into or consumed in such establishments.

The hours during which drinks may be served in cabarets should be only from 5 p.m. until midnight.

## **Clubs**

The Commission feels that, subject always to the local option regulations, the following licenses should be made available to clubs: Restaurant Beer and Wine license, Beverage Room license, Dining Room Liquor license, and Cocktail Room license. To be granted any of these licenses, clubs must meet the same requirements as commercial establishments, except that clubs shall not be required to have a Restaurant Beer and Wine license to acquire a Beverage Room license. The Commission does not regard this as a departure from general policy, but rather as an acceptance of the status quo in clubs at present. On the other hand, a club must have dining room facilities adequate to serve its membership before a Dining Room Liquor license is granted to it, and such license shall be contingent to the granting of a Cocktail Room license to clubs.

The Commission saw no reason for increasing the number of guests allowed in clubs, and we recommend that it remain, as at present, 10% of the membership to be allowed at any one time. Wives of club members should be accorded associate membership and not be subject to the guest restriction rule.

We feel that clubs should be considered a part of the entire on-premise picture in any community. The licensing of a club, accordingly, must be considered in the light of the community need for another on-premise outlet. Such being the case, the Commission thought the present rigid limitations did not precisely meet the requirement of determining whether a club license should be granted or denied, and we recommend that the number to be issued in any local option area be left to the discretion of the G.L.C. Commission.

### **Liquor on Trains and Planes**

This Commission observed that where liquor is allowed in restaurants on this continent, licenses are usually granted to trains with dining accommodation. This seemed to us a reasonable practice. We have therefore recommended that through trains with dining accommodation be granted the same licenses as may be established by local option vote in the City of Winnipeg. This privilege should not, of course, be extended to merely local trains.

Liquor on planes is the exception rather than the rule on this continent. The Commission feels that plane travel is a rapid means of transportation which entails confinement for short periods only. As most flights are of comparatively short duration, the commission felt that it would be unwise to grant license to planes even though some passengers might consider this an additional inconvenience.

### **Light Wine in Restaurant and Beverage Rooms**

There may be some question in the minds of the people of Manitoba concerning the addition of light wine with beer. Two principal reasons determined the Commission's decision on this matter. One: wine provides an alternative low alcoholic content drink for those who do not like beer. Second: it is hoped that by making light wine more readily available than spirituous liquor, the use of a lower alcoholic content drink may be encouraged.

### **License Fees**

The Commission has not presumed to make detailed recommendations concerning the license fees to be charged for the potential new licenses to be granted in Manitoba. We suggest, however, that the Licensing Board make a study of fees used in other provinces, and in some of the Monopoly States, with the purpose of determining what fees or system of fees will be most acceptable for Manitoba. We further suggest that the present basic annual license fees for beer parlors and hotel beer vendors, i.e., \$100 in cities and \$50 in other places, plus 5% of the cost of the beer purchased in each licensed year by the licensee is acceptable and should not be changed.

One of the principal reasons for granting beer parlor licenses only to hotels was to insure sufficient revenue to the hotels so that they could provide adequate service for the travelling public. For this reason in locations where the venture was

profitable it would be fitting and proper for the Liquor Commission to direct that some of the revenue should be spent in improving premises and services, and we understand that this was done to some extent. It is apparent, however, that beer parlor licenses in many cases increased the value of the property far beyond the value of the physical assets. In other words, the license became of great value in itself and as a result a number of hotel keepers have disposed of their properties at figures which have given them a tremendous capital gain. It may be too late to apply any remedy, but a future policy should insure that a reasonable part of the revenue which is produced by the license should be put into improvements. In Ontario a transfer tax based on total sales is paid by the vendor of hotel premises. In our opinion such a fee would in many cases be unfair. On the other hand, if it were based on increased sales, after taking into account capital and other expenditures made to increase sales, it would return to the state a part of the financial advantage which came to the proprietor as a result of the license granted to him. The fact that the license is an annual one and may be terminated at any time affects its value to the purchaser but has not prevented the vendor obtaining the capital gain.

We recommend that this system be studied with a view to discovering whether something similar might well be adopted in Manitoba.

## **Distillers**

Section 134 of the Act now provides that distillers doing business with the Government Liquor Control Commission are required to pay a license fee of \$10.00. This is, in effect, a registration fee which is required for those distillers desiring to have their products sold in this Province. We see no reason to recommend any change in this procedure.

## **General Observations**

It has already been noted that the Commission does not propose that any of the new type of outlets here described shall be opened, but rather that they shall be permitted only when a majority vote of the people of the community shall make it clear that they are desired. It is intended, in addition, that the Licensing Board will exercise great care in granting license even under these conditions. Certain matters should be carefully considered before any new license is issued. First, a careful study of the community should make clear that need exists for a new outlet of any sort. This will include a general survey of the nature of the community; an estimation of how needs are already being met by existing outlets, including clubs; and the desirability of granting the particular type of license that has been requested. Second, the personal character of the licensee should be carefully considered. Especially in the case of liquor license, this will be a matter of grave import. The License Board should make investigation into the character and connections of the applicant. For this purpose, recourse should be had to the files and information obtainable from local police and from the R.C.M.P. Not only should convictions for violations of the law be matters of concern; but all connections, or alleged connections, with industries related to liquor and with socially undesirable practices such as gambling ought to be carefully scrutinized. The most desirable

applicant is an established hotel keeper or restaurateur whose sole occupation is the service of the public and whose character is reputable.

Granting of the new types of license should at first proceed very slowly. The Commission is aware that pressure from the public and from the liquor interests may be very strong for some of the new types of outlets. The latter need hardly be warned against, but it is necessary to point out that the Licensing Board must beware of succumbing to any ill-advised eagerness on the part of the public. The premises to be licensed will need careful scrutiny, both before licensing and during the entire time of their use. The Commission believes that proper premises help to promote sane drinking. Airy, spacious, clean surroundings produce a healthful outlook that will frown upon abuse.

Since minors are now to be permitted on some premises where liquor is served, it will be necessary to watch carefully that the law that they must not be served, is stringently enforced. The Inspectorial staff of the Liquor Control Board must give every aid to licensees in making this possible without unpleasantness. But in the end the onus must be on the licensee if a minor is served. The suggestion of the Joint Committee of the States for Study of Alcoholic Beverage Laws, "When in doubt of a prospective customer's age, DO NOT SELL", is recommended as an excellent policy for all licensees.

At the time the recommendations of this Commission were first made public, we made no expression concerning the relative merits of the new types of outlet from the point of view of the effect on the community. The Commission is of the opinion that the state should give lead to the people concerning this matter, and that it is the duty of this Commission to discuss relative merits of these outlets from the social welfare point of view.

It was the opinion of some members of the Commission that it would have been better for society if alcoholic beverages had never been discovered.

Since, however, they have been used from time immemorial, and since about two-thirds of the adult population of our Province are said to use them, the question of practical concern to the public is which outlets are least likely to produce social problems. In this connection five basic principles should be kept in mind:

1. The lower the alcohol content of a beverage the less likely it is to result in intoxication or inexcusable behaviour, or more permanent harm. Since these beverages range anywhere from 4% to 40% alcohol this offers a very wide range of choice and very great differences in effects.
2. If alcoholic beverages are consumed without food, on an empty stomach, they result in much more rapid intoxication and other ill effects than if taken with food.
3. Any outlet which is established primarily and only for drinking alcoholic beverages is not considered as desirable an outlet as one in which drinking is incidental either to meals or to some other activity.
4. A fourth principle that is desirable in drinking customs, particularly with respect to high alcoholic beverages, is to consume them neither

in the midst of work, nor prior to important tasks such as driving, and preferably toward the end of the day. This is a factor in determining the hours at which drinking outlets should be kept open.

5. Drinking customs which encourage rapid and excessive consumption are considered less desirable than those which encourage slower consumption in more moderate quantities.

If these principles are applied they will help communities to determine the types of outlets they will find most acceptable, and what regulations concerning their operations and the nature of the premises, will make for least abuse.

It is the Commission's hope that licenses providing for the sale of spirituous liquors will not be requested in the smaller local option areas. In all places where local option vote provides for the establishment of such outlets, the Commission feels that the G.L.C. Commission should grant licenses most judiciously.

## RECOMMENDATIONS

### On-Premise Sale of Liquor:

Terms of Reference Instructions 9 (2) (a), (b), (c), (d), (e).

1. That none of the types of licenses listed below be granted in any city town, village or rural municipality unless and until a majority of the electors therein have approved of the establishment thereof by local option vote; but that no new local option vote be required for beer parlors already licensed.
2. That the Act give permissive<sup>1</sup> power for the establishment of the following basic types of licenses for the on-premise sale of liquor in any local option area:
  1. Beer Parlor License,
  2. Restaurant Beer and Wine License,
  3. Beverage Room License,
  4. Dining Room Liquor License,
  5. Cocktail Room License,
  6. Cabaret License.

(See Reservations)
3. That "wine" be defined as any liquor obtained by the fermentation of the natural sugar content of fruits or other agricultural products, but in any case not exceeding 14% alcohol by volume.

(See Observations).

<sup>1</sup> This clause has given rise to some misinterpretation. It is not a recommendation of these outlets. The Commission recommended no outlets whatever, except where a majority approves. This recommendation does nothing more or less than limit the type of outlet upon which local option areas may vote.

4. That the requirements for beer parlor licenses be continued in their present form with the exception that:
  1. Beer parlor licenses be granted only where there is a legitimate community need therefor, and only for establishments having a seating capacity not in excess of what is considered reasonable and necessary by the G.L.C. Commission.
  2. Beer parlor licensees be required to make available to patrons in the beer parlors.
    - (a) fresh water for drinking;
    - (b) soft drinks and fruit juices at reasonable prices; and
    - (c) light food refreshments, eg., sandwiches, snacks, etc.
5. That restaurant beer and wine licenses be granted only to restaurants of high standards, such licenses to be authority for the holders thereof to sell beer and wine by the glass with meals to adult patrons of both sexes. These licenses should be granted only to restaurant premises which have standards of floor space, kitchen facilities and appointments deemed suitable by the G.L.C. Commission.
6. That beverage room licenses be granted only to restaurants which hold restaurant beer and wine licenses, such licenses to be authority for the holders thereof to sell beer or wine by the glass without meals to adult patrons of both sexes, in a portion of the restaurant premises physically connected with the dining area and in which food is readily available to the patrons.
7. That dining room liquor licenses be granted only to first class hotel and restaurant dining rooms, such licenses to be authority for the holders thereof to sell beer, wine and spirituous liquors with meals to adult patrons of both sexes.
8. That cocktail room licenses be granted only to hotel and restaurant dining rooms which already hold dining room liquor licenses, such licenses to be authority for the holder thereof to sell beer, wine and spirituous liquors by the glass without meals to adult patrons of both sexes in a portion of the hotel or restaurant premises physically connected with the dining area and in which food is readily available to the patrons.
9. That cabaret licenses be granted to establishments which, in addition to supplying full course meals to their patrons, also provide some form of "live" entertainment, such licenses to be authority for the holders thereof to sell beer, wine and spirituous liquors by the glass with or without meals to adult patrons of both sexes.
10. In hotels holding restaurant beer and wine licenses and/or dining room liquor licenses, that the G.L.C. Commission be given the discretion to license beverage rooms and cocktail rooms in rooms separate and apart from the restaurant or dining room areas; but that in no

case should any beverage room or cocktail room whether in a restaurant or hotel have a separate street entrance thereto.

11. That minors be prohibited from entering beverage rooms and cocktail rooms but that they be allowed to enter premises holding a restaurant beer and wine license or a dining room liquor license so long as they are not permitted to purchase or consume liquor therein.
12. That in a community where there is a legitimate need for a hotel, the hotel be given a preference in the grant—of a beer parlor and/or a beverage room license.
13. That in any community where a beer parlor may be required and a hotel not required, the G.L.C. Commission be empowered to establish a beer parlor in premises separate and apart from a hotel, such beer parlor to be controlled and operated by the G.L.C. Commission or leased to private interests for operation.
14. That there should be a rated maximum seating capacity for each licensed premise of the aforementioned types of on-premise outlets and that it be the duty of the staff of the Chief Inspector to ensure that licensed premises do not exceed their rated capacity except on special occasions with the written approval of the G.L.C. Commission.
15. That in every community where there is a reasonable demand for on-premise outlets the G.L.C. Commission show a preference for the issuance of beverage room licenses rather than beer parlor licenses.
16. That the numbers of the foregoing new types of on-premise licenses to be granted be left to the discretion of the Commission. It is suggested, however, that until the need is adequately determined, the numbers of such licenses be restricted.

### Hours of Sale:

Terms of Reference Instruction 9 (1) (c).

1. That the hours of sale for existing outlets and new types of outlets be as follows:
  - (a) Government Liquor stores—hours of sale to be set by regulation of the G.L.C. Commission.
  - (b) Beer parlor licenses—10 a.m. to 10 p.m., with one hour closing at the supper period.
  - (c) Hotel beer vendor licenses—10 a.m. to 10 p.m.
  - (d) Brewery cash and carry store licenses—10 a.m. to 10 p.m.
  - (e) Restaurant beer and wine licenses—12 noon to midnight.
  - (f) Beverage room licenses—12 noon to 10 p.m.
  - (g) Dining Room Liquor Licenses:
    - Beer and wine—12 noon to midnight.
    - Spirituous liquors—5 p.m. to midnight.

- (h) Cocktail room licenses—5 p.m. to 10 p.m.
- (i) Cabaret licenses—5 p.m. to midnight.
- (See Reservations)
- 2. The Enquiry Commission considered at length the question of the sale of liquor with meals on Sundays in premises holding restaurant beer and wine licenses and dining room liquor licenses, but was unable to agree.  
(See Observations)
- 3. That beer parlors be required to close for at least one hour during the supper period, the exact hour to be determined by the G.L.C. Commission having regard to local conditions.
- 4. That all licensed premises observe the time in effect in the local areas in which they are situated.
- 5. That no sales of liquor be allowed in licensed premises after the closing hour, and that beer parlors, beverage rooms and cocktail rooms be cleared of all patrons within 15 minutes after the closing hour.
- 6. That, should demand warrant, the G.L.C. Commission keep open until 2 a.m. daily at least one and not more than two liquor stores in the City of Winnipeg.

### **Club Licenses:**

#### **Terms of Reference Instruction 9 (1) (e).**

- 1. That the granting of club licenses be continued provided that no such license may be granted in any local option area which has, by local option vote, forbidden the establishment of all types of on-premise outlets therein.
- 2. That the following licenses be available to clubs:
  - (a) Restaurant Beer and Wine license;
  - (b) Beverage Room license;
  - (c) Dining Room liquor license;
  - (d) Cocktail Room license.
- 3. That the granting of the aforementioned types of licenses to clubs be subject:
  - (a) to the same general requirements as apply to the granting of such licenses to commercial premises, with the exception that clubs which do not have dining facilities be permitted to hold beverage room licenses; and
  - (b) to such regulations concerning clubs as are promulgated by the G.L.C. Commission.
- 4. That, in order to qualify for a dining room liquor license, a club be required to have in operation on its premises a kitchen and dining room adequate to serve its membership.



5. That the number of club licenses to be issued in any local option area be left to the discretion of the G.L.C. Commission.
6. That the number of guests permitted at any time in a licensed club be restricted, as in the present Act, to 10% of the total membership thereof; and that wives of club members be accorded the status of associate members of their husbands' clubs and as such be not subject to the guest restriction rule.
7. That military messes (officers and senior N.C.O's.) be granted mess licenses which will be authority for the sale of beer, wine and spirituous liquors by the glass in the premises covered by the said license; and that military canteens (corporals and other ranks) be granted canteen licenses which will be authority for the sale of beer and wine by the glass in the premises covered by the said license; and that, as at present, the hours and days of sale in such messes and canteens be left to the discretion of the senior officer in charge in each of the services in Manitoba.

### **Liquor on Trains:**

Terms of Reference Instruction 9 (4).

1. That, subject to the condition that the licenses hereinafter mentioned are permitted by local option vote in the City of Winnipeg, all passenger trains, other than local trains operating solely within the Province, be permitted to have the following types of on-sale licenses:
  1. Restaurant Beer and Wine license;
  2. Dining Room license; and
  3. Cocktail Room license.
2. That the request by Trans-Canada Airlines for permission to serve liquor by the glass on scheduled passenger flights be not granted.

### **Control and Sale of Alcoholic Beverages to Minors:**

1. That for the purposes of liquor legislation a minor continue to be defined as any person under 21 years of age. (See Observations).
2. Other recommendations affecting minors will be found in the section on Methods of Sale, On-Premise Outlets and Enforcement.

### **Beer Parlors:**

1. That beer parlors be required to observed the same health and sanitation standards as are required of licensed restaurants.
2. That it be made mandatory that representative brands of bottled beer from all breweries operating in Manitoba be available for purchase in all licensed beer parlors except where a brewery does not wish its beer to be carried by particular beer parlors.
3. That not more than one bottle or two glasses of beer be served or available at one time to one customer in any on-premise outlet and

that no further sales or service by gifts or otherwise be made to such customer until the beer already served him is consumed.

4. That, subject to the requirements of municipal by-laws, radios, television sets, record players and vending machines be permitted in any licensed on-premise outlet.
5. That, as at present, the right of the G.L.C. Commission to determine the retail price of beer sold in beer parlors, be continued.
6. That, in order to prevent the occasional practice of selling "short" glasses of draught beer, all draught beer be sold in glasses having a "tide-line" mark thereon designating the level to which the beer must be drawn.
7. That the Commission formulate and enforce a code of ethics for beer parlor licensees and that it seek the co-operation of the licensees for the better observance of the liquor laws in their premises. (See Reservations).

## **RESERVATION by Mr. Bracken**

### **Regarding Recommendation 2, On-Premise Sale of Liquor.**

This recommendation provides that a local option vote may be taken in any local option area on any type of liquor license, no matter how small such local option area may be in size or population. It is my view that this may invite quite unnecessary controversy and concern in many small areas, some of which would not support a distilled spirits outlet by majority decision; some would be too small to make such an outlet economically worthwhile but more particularly, some small presently "wet" areas within larger "dry" municipalities might bring in a distilled spirits outlet contrary to the wishes of the larger area within which it is contained. I am of the view that any size of local option unit might be permitted to vote on beer and wine outlets, but that only the larger local option units should be given legal power to vote on distilled spirits outlets. A population figure of 3,000 has been mentioned, but the exact dividing line, if any, could well be left to the Legislature to decide.

## **OBSERVATIONS by Mr. Bracken**

### **Regarding Recommendation 3, On-Premise Sale of Liquor.**

In my opinion this definition of wine is not sufficiently clear to the layman. When the ordinary man thinks of wine he does not distinguish between wine in the technical sense and "fortified" wine, the latter being wine, or natural wine to which spirits have been added, thereby increasing its alcohol content. The word "wine" as used in this definition is meant to exclude all "fortified" wines.

## Regarding Recommendation 2, Hours of Sale.

The Commission gave long and serious consideration to the question of the sale of liquor on Sundays. There were two quite opposing views, both honestly and sincerely held; one strongly supported by two members, and the second equally as firmly held by two others. If there was to be a majority decision it thus rested upon the Chairman to make it. I felt, when four Manitoba members of the Commission were equally divided on the question, that a subject so important to large sections of the public ought not to be decided by the vote of a single person. Such a decision seemed all the more important because the question involves not only the matter of hours or days of drinking, but the much larger social question of how the Sabbath day shall be observed. From the physiological point of view the human body is harmed no more by drinking on Sunday, than by drinking on Monday. But since half the population or more may not wish to see public drinking on Sunday, and particularly as liquor is now legally found in two-thirds of the homes in the Province, the problem becomes one for decision by a larger group than one of five. I, therefore, think it a proper subject for the much more widely representative group of the Legislature to determine, than for five individuals to do so.

## RESERVATIONS by Maj. Gen. Riley

The recommendations presented which reduce controls and which I have signed, are the result of much discussion and some agreement. Many details I would alter if I could but there are one or two recommendations with which I cannot concur.

The consumption of alcoholic beverages in recreational clubs on Sunday has become an accepted habit here and elsewhere. In Canada, when illegal, the law is not enforced.

The lack of provision for such consumption and the restricted hours for sale of spirits on other days will be resented by a large number of ordinarily law-abiding citizens and will provoke non-observance and discourage enforcement. A local option vote in areas in which the majority are unfavourable can bar any of the suggested licenses. The dining room license should have the same hours as the restaurant license, and both should extend to Sunday, possibly reserving in each case to the Liquor Control Commission and the Municipality the right to reduce the hours when necessary or advisable.

Manitoba should expect education to equip the normal person with the knowledge necessary for adequate behaviour and where the requirements of society permit, leave to them the responsibility for the development of controlled habits. This responsibility should be assumed as early as reasonably possible and the age for minors should be reduced. New York State, after an extensive survey, adopted eighteen. Their reasons appear sound and they have not changed their views.

Unless such amendments to the recommendations are accepted the Act will not have the general support it needs and the Liquor Control Commission will be unable or unwilling to enforce it, and the present lack of respect for law will continue.

## **OBSERVATIONS by Mrs. Whiteford**

### **Regarding Recommendation 2, Hours of Sale.**

The Commission having reached no unanimous decision re Sunday sales, I hereby make my position clear.

I am opposed to Sunday sales of Liquor.

1. There was no concerted demand for this privilege in the Briefs presented.
2. Sunday sales were not allowed in five of the seven States which we visited.
3. Sunday sales are not allowed except in two Provinces of the Dominion, namely, Quebec and Newfoundland.
4. While clubs may not now be observing the law, I consider this insufficient ground for legalizing Sunday sales.
5. Traffic is heavy over week-ends. Sunday sales could contribute to greater hazards.
6. Should liquor be permitted with meals on Sunday, the seller could be under pressure to supply liquor other than with meals.

## **OBSERVATIONS by Mr. McCrae**

### **Regarding Recommendation 2, Hours of Sale.**

I am opposed to the sale of liquor on Sundays. As the Commission is unable to reach agreement on the question, I therefore wish, as a member of this Commission, to make my position clear.

My reasons for being opposed to Sunday sales are as follows:

1. There has been no concerted demand for sale of liquor on Sunday in Manitoba.
2. Our neighboring Provinces of Ontario and Saskatchewan do not permit Sunday sales; in fact, only two Provinces in the Dominion do allow sales on Sunday—Quebec and Newfoundland.

In submissions presented to the Commission no specific requests were received for Sunday sales except from certain clubs. Because some clubs may be violating the law is not sufficient reason to legalize Sunday sales.

The Royal Commission on licensing in England after hearing from clubs for broader permitted hours stated that clubs ought to comply with the permitted hours obtaining locally. In other words, clubs should not be granted special privileges.

Statistics show that the traffic accident rate is 35% higher on Saturdays and Sundays than on the average of other days and it is my feeling that Sunday sales of alcoholic beverages tend to further increase the accident rate.

## RESERVATIONS AND OBSERVATIONS by Dr. L'Heureux

### Beer Parlors:

Beer parlors have little to commend them in my consideration, nor can they be justified by any of the above mentioned principles or facts.

They are antisocial in their segregation of the sexes; they do not promote temperance but encourage drinking because they are set up exclusively for drinking purposes; they do not educate nor have they any of the family or club atmosphere; they do not promote the high social, cultural and moral standard so necessary to the formation of an adequate public conscience. They have been condemned by practically everyone except those who reap the huge profits from the enormous quantities of beer which are continuously consumed in such places by persons who in large measure cannot reasonably afford this expenditure. In many cases they have been proven to be a place where beer sales are pushed as fast as possible to the exclusion of every other consideration and even to a disregard of elementary hygiene and sanitation.

These practices cannot be condoned and perpetuated by a Government which is truly interested in the welfare of its people and the raising of social and cultural standards.

**I would therefore recommend that no further beer parlor licenses be issued.**

It is perhaps impractical and even impossible to close the existing parlors, but it should not be too idealistic to hope that with time, long patience, continued education and the substitution of more desirable institutions, the citizens of Manitoba would themselves pass final judgment and sentence upon these nefarious outlets and condemn them to oblivion.

### Cocktail Lounges:

The cocktail lounge or bar as a separate outlet designed for the sale of liquors only, is also condemned, as it cannot be justified by any of the foregoing principles or facts.

**I would recommend that a cocktail lounge license be issued only in those rare instances where it is judged necessary by the Liquor Control Board to avoid congestion in a public dining room of a large metropolitan hotel. Such a license should be issued to premises which form part of or at least are situated within sight of the dining area in order to preserve at least the theoretical association of liquors as an accompaniment of food.**

## CHAPTER XVII

### LOCAL OPTION

#### Instructions to the Commission:

Without limiting in any way the general scope of its enquiry as hereinbefore set out, the Commission be instructed in particular to make findings and recommendations with respect to:

The adequacy of The Government Liquor Control Act, 1928, the regulations thereunder, any other legislation, and the administration of said Act, regulations and legislation in regard to:

the principle of local option by-laws in relation to liquor outlets of all kinds.

#### FINDINGS

##### 1. The Present Law and Regulations Thereunder

- (1) Part VIII of the Act consisting of Section 270 to 293 (both inclusive) deals with local option provisions in Manitoba.
- (2) By S.271, a **municipality** is under local option when on a vote taken in the **municipality** a majority of the duly qualified electors voting, vote against the **local sale** of liquor. A **municipality** remains under local option until the by-law passed as a result of the vote is repealed by a subsequent vote under said Part VIII.
- (3) In any municipality under local option
  - (a) no liquor store can be established, maintained or operated; except that in cities and towns, liquor stores or warehouses for the distribution of liquor otherwise than by the cash and carry system, may be established and continued; and
  - (b) no beer license or club license can be granted or continued in respect of any premises situated therein; and
  - (c) no place can be fixed or approved of as a place from which a brewer may deliver beer (i.e. no brewery outlets through warehouses, etc.).
- (4) It should be noted that "local sale" is defined by S.270(c) as "the sale of liquor in a municipality by liquor stores therein, operated on the cash and carry system, and by beer and club licensees, as well as the establishment of places from which brewers may deliver beer".

- (5) Of even greater importance to the principle of local option is the definition of a municipality. S(2)(25) defines it as "a city, town, village or rural municipality; and 'municipal' has a corresponding meaning". It is by virtue of this definition that the common situation occurs of a rural municipality voting itself under local option while a city, town or village located in the said rural municipality remains unaffected by the said vote.
- (6) Submission of a local by-law or the repeal thereof must be initiated in the form of a petition signed by at least 20% of the resident electors whose names appear on the last revised voters' list of the municipality. When filed with the clerk of the municipality, the petition must bear signatures obtained and signed by all the petitioners within the calendar year in which it is filed. Each sheet of signatures must be verified by affidavit.
- (7) Upon receiving such a petition, the clerk shall post a notice of its receipt in a conspicuous place in his office. Objections in writing to the sufficiency of the petition may be made by any resident elector within one week of its filing or within such further time as the Attorney-General may allow. Any objections so received must be sent by the clerk to the Attorney-General along with a copy of the petition, the last revised list of electors, and any other material relating to the petition. The Attorney-General may receive any further objections to the petition and shall then summarily decide the question of the sufficiency upon such evidence as he chooses to receive. The finding of the Attorney-General as to the sufficiency of the petition or otherwise shall be final and without appeal. Where the Attorney-General finds the petition sufficiently signed or where the petition has been accepted by the Council without objection raised thereto, the validity of the petition and of any local option by-law submitted in consequence thereof, shall not be subject to further question before the council of the municipality or before or by any court or judge.
- (8) On receipt of a petition for local option duly signed as provided before August 15th of any year, the council of the municipality, at its first regular meeting thereafter, shall pass the first and second readings of the by-law before September 15th. The by-law shall then be voted on by the electors on the day fixed by law for the polling at the next annual municipal election for the municipality provided that the voting day is not less than 4 weeks after the 2nd reading of the by-law.
- (9) Within 2 weeks following the first and second reading of the by-law, the council shall publish in a local or other newspaper circulating in the municipality a notice stating the object or purpose of

the proposed by-law, that it has been submitted to the council and has received its first and second readings, that a vote thereon will be taken on the annual municipal election day, that the proposed by-law can be seen until the day of the voting thereon, in the office of the municipal clerk, and that further consideration of the by-law after the taking of the vote will be made by the council at the time and place therein named. This notice must be published at least once each week for the three weeks before the vote is taken.

- (10) The form of the ballot to be used at the voting as prescribed by S.280 contains two questions "For Local Sale" and "Against Local Sale". The voting takes place at the same hours and at the same places where the polling is held at the annual municipal elections, and the returning officer and deputy returning officers are the same.
- (11) The persons entitled to vote on the by-law shall be
  - (a) any resident elector whose name appears on the then last revised list of electors of the municipality; and
  - (b) any person whose name is not on the said list who is 21 years of age, a British subject by birth or naturalization, and who has resided within the province for one year and within the municipality for the three months last preceding the date of the voting, provided that any such person is vouched for by an elector whose name appears upon the list and who is a resident in the municipality. The forms of oath to be taken before the deputy returning officer by an applicant who claims the right to vote and by the elector offering to vouch for the applicant are provided by S.276. Once these oaths have been duly administered, the applicant's name shall be entered on a separate list of electors and the applicant may then vote.
- (12) Any person offering to vote on the by-law may be challenged by any legal voter as being disqualified in which case the deputy returning officer shall require the person challenged to take an oath in the form provided by S.281.
- (13) A local option by-law requires the assent of a majority of those entitled to vote who actually vote on the by-law. If the by-law is carried by the majority of those voting, it shall be read for a third time and passed by the council of the municipality at its next regular meeting following the voting. The clerk shall then forward to the Commission a true copy of the by-law showing the date on which it was finally passed and the by-law shall come into force on the first day of April next after that date.



- (14) Provision is made by S.282 and S.283 for recounts when the result is disputed. S.285 also provides the procedure to be followed if an election petition is presented against such a by-law.
- (15) The provisions for submitting a local option by-law to repeal a local option by-law are the same as those heretofore described. However, no petition to repeal a local option by-law can be received within three years of the taking of the vote on the local option by-law; and conversely, no local option by-law can be submitted within three years of the taking of a vote on a repealing by-law.
- (16) Section 290, 291, 292 and 293 dealing with special local option elections were repealed by S.M.1953, Cap.50.
- (17) Canadian Law — In addition to the local option provisions of the Government Liquor Control Act, 1928, the residents of any federal electoral district in Manitoba, may, by petition signed by one quarter of the resident electors therein, request the Governor-in-Council to hold an election under The Canada Temperance Act, R.S.C.1952, (Government of Canada), Cap.30. If the petition is carried by a majority of those voting, the Governor-in-Council must proclaim Part II of the Temperance Act as being in force in the said electoral district. Part II of that act closely resembles the provincial provisions in a local option area, e.g. no liquor to be sold for beverage purposes, no licensed premises etc. A petition to repeal an Order-in-Council bringing into force Part II of the Temperance Act may not be brought for a period of three years from the bringing into force of said Part II.
- (18) In Manitoba, no electoral district is presently under Part II of The Canada Temperance Act so its importance is practically negative.

## **2. Administration**

- (1) In 1927, 49 Rural Municipalities out of the total of 114 in Manitoba remained "dry" when the Moderation League Bill (later the Government Liquor Control Act) was voted upon.
- (2) Since that time 17 of these Municipalities, through local option elections, have voted for the sale of liquor.
- (3) The sale of liquor is not allowed in the remaining 32 Rural Municipalities (1954).
- (4) No Municipality in which the sale of liquor has been approved has subsequently voted "dry" in a local option election.

- (5) In the total of 164 local option elections held from 1928 to 1954 (some Municipalities having voted several times) the total votes cast were as follows:

Total votes in favor of local sale 42,127

Total votes against local sale 49,984

- (6) Incorporation of 19 villages in Manitoba has taken place since the Government Liquor Control Act came into effect in 1928.
- (a) Eight of these villages had hotels licensed to sell beer prior to their incorporation. Three of them do not have a licensed hotel. The village of Powerview was incorporated in 1951 and had a hotel licensed to sell beer the same year, a local option vote not being required.
- (b) Eight other villages, all of which are surrounded by "dry" municipalities, held local option elections shortly following their incorporation. The sale of liquor was approved in all of these local option elections and hotels were licensed to sell beer in seven of them as follows:

| Village           | Population<br>1951 | Date<br>Incorporated | Date Local<br>Option Vote | Date Hotel<br>Licensed  | Surrounding "Dry"<br>Municipality | Population of<br>Municipality 1951 |
|-------------------|--------------------|----------------------|---------------------------|-------------------------|-----------------------------------|------------------------------------|
| Benito .....      | 406                | 1940                 | 1946                      | 1948                    | Swan River                        | 4,605                              |
| Bowsman .....     | 512                | 1949                 | 1950                      | 1952                    | (Swan River<br>Minitonas)         | (4,605<br>2,926)                   |
| Cartwright .....  | 476                | 1948                 | 1948                      | 1949                    | Roblin                            | 1,344                              |
| Crystal City .... | 493                | 1947                 | 1948                      | 1949                    | Louise                            | 2,099                              |
| Glenboro .....    | 600                | 1950                 | 1950                      | 1951                    | South Cypress                     | 1,027                              |
| MacGregor .....   | 539                | 1948                 | 1948                      | 1950                    | North Norfolk                     | 3,558                              |
| Minitonas .....   | 678                | 1949                 | 1950                      | 1951                    | Minitonas                         | 2,926                              |
| Waskada .....     | 395                | 1949                 | 1949                      | No<br>license<br>issued | Brenda                            | 1,590                              |

### 3. Manitoba Opinion

- (1) Most submissions presented to us were strongly in favor of local option. Several made no comment. Only a few were opposed.
- (2) The general feeling in favor of local option was very well put by one speaker as follows:
- "We are of the opinion that the present privilege of local option should be maintained in keeping with the democratic principles of our province."
- (3) The majority view of the Winnipeg Chamber of Commerce, and the Manitoba Chambers of Commerce (representing 65 rural branches), was in favor of local option.

- (4) Several speakers referred to the fact that the principle of local option has been abused where villages in "dry" rural areas are allowed to incorporate in order to obtain a beer parlor. It was represented that several small urban centres had deliberately incorporated themselves out of a "dry" municipality in order to obtain licensed hotels through local option.
- (5) It was several times pointed out that when beer parlors or liquor stores were thus allowed in disregard of the wishes of the majority in a municipal area, it caused grave dissatisfaction among many rural people. It was considered that those in a "dry" area were in effect disfranchised when a village within their area became incorporated and voted itself "wet". The feeling was general that local option had been in a large degree made useless in recent years by improvements in roads, wider use of motor cars, and the establishment of "wet" villages and towns in otherwise "dry" municipalities.
- (6) In several of the briefs, it was requested that when a local option vote is to be taken, a separate question should be required for each type of outlet being considered.
- (7) The Flin Flon Trades and Labor Council announced itself as being opposed to local option. They felt that the government should not "seek refuge from responsibility" by resorting to local option.
- (8) The Manitoba Temperance Alliance advised that all important changes in Manitoba's Liquor Laws had, in the past, been preceded by a Province-wide referendum or plebiscite, and that the people expected that such action would continue to be followed before any further changes were made.
- (9) It was often represented to us that a uniform restrictive law over all sections of Manitoba — rural and urban, industrial and farming, and areas differing in racial and religious customs — could not be and would not be uniformly observed or enforced. The inference was that certain details of any law would not be acceptable in some communities and that consequently it was desirable to arrive at such changes in the law as would be more widely acceptable to the majority in each community. In the opinion of many, local option was considered a most effective way to provide the needed flexibility in the law.
- (10) The Hotel Association suggested that their industry would have more stability if:
  - (a) The number of signatures on petitions requesting a local option vote were raised from 20% of the electors in the local option area, as at present, to 30% before a vote could be called; and

(b) The period of time between local option votes be increased from four years to six years.

- (11) On the whole it may be stated that Manitoba opinion as represented by those appearing before the Commission is in favor of the principle of local option. The practice, it was felt, had become traditional in Canada. It has been traditional in Manitoba from the time the province was formed.
- (12) A Province-wide referendum, before any proposed action was taken, was suggested a number of times. A few opposed this view. At most hearings of the commission the question of a referendum was not even raised. A point of view as to the public attitude may be found in the Free Press of January 30, 1954, which states as follows:

"... It is not the purpose here to discuss the terms of reference nor the personnel of such an inquiry. What is important, at the moment, is to make it clear to the Government that it will be expected to follow the traditional Manitoba practice of submitting any substantial change in our liquor act to the people by way of plebiscite or referendum prior to such change becoming the law. That is to say, any proposed change of substance should be referred to the people either in the form of the actual legislation (as was done in 1923) or as a carefully and fairly drafted question, as was done with respect to the sale of beer in 1927.

It would be well at the outset not to have the slightest doubt on the point. It has always been the practice in Manitoba, as will be shown, to deal with the liquor traffic by direct vote of the people. The liquor question, as such, has never been allowed to be a straight party issue.

To substantiate the foregoing statements regarding the history of the liquor laws in this province, a brief review is in order.

Manitoba was the first province in the country to take a referendum on liquor control. This vote was taken on July 23, 1892 and returned a large majority for temperance — 19,637 against 7,115. In 1898 the Dominion Government followed Manitoba's example and held a Dominion plebiscite. The vote in this province was — dry 12,419 and wet 2,978.

Thus up to 1900, this province became increasingly dry. In 1887 there were 218 licenses in force. In 1899, although the population had quadrupled the number of licenses had fallen to 167.

In the provincial election of 1899, the Conservative Party under Sir Hugh John Macdonald ran on a program including, among other items, prohibition. What ensued is highly instructive. The Conservatives won and Sir Hugh John redeemed the pledge in the Macdonald Act — a prohibitory act. However, the statute was never proclaimed. Sir Hugh John retired from the leadership in favor of R. P. Roblin (later Sir Rodmond). A second act was now put through suspending the prohibition act and in 1902 the question, true to the Manitoba practice, was remitted to the people in a referendum. The vote did not favor prohibition so the earlier law was continued.

As the years passed, temperance sentiment gained markedly and in 1916 Manitoba, by a direct vote of the people, endorsed prohibition by a majority of 50,484 to 26,502. In 1920, the question of interprovincial trade in liquor became critical. The Liberal Government, on October 25 of that year, followed the accepted practice and referred it to the people. In the result, the people voted 68,831 to 5,056 against allowing imports of liquor to enter Manitoba from other provinces. About this time the Supreme Court of Canada decided that, because of the moral considerations involved, the liquor traffic stood apart from normal trade and that, notwithstanding the provisions of the British North America Act to the contrary, it was within the power of a province to prohibit such trade. This marked the high point of prohibition in this province.

A campaign for the legalization of the sale of liquor was launched by the Moderation League, strongly backed by the liquor interests, and on June 22, 1923 a bill — "The Government Control Liquor Act" was submitted by referendum to the people. The vote was on the actual legislation. It carried and the Legislature at once was summoned to enact it.

When in 1927 the question arose of relaxing the control on the sale of liquor another referendum was held and carried. The changes in the law were made in the 1928 session of the Legislature. The 1928 Act, apart from minor changes, is the act we have today: the act which, presumably, the Campbell Government proposes to open up.

This record proves the point that the people of this province always have insisted upon dealing directly, by way of referendum or plebiscite, with any real change in the liquor law. They will expect that this practice will continue.

Equally important is the fact that our liquor laws have never been allowed to become a party issue. Liberal, Conservative and Progressive Administrations always have followed the practice of letting the people decide this question for themselves. Thus the first referendum was taken by the Liberals; the second by the Conservatives; the third and fourth by the Liberals; the fifth and sixth by the Liberal-Progressives.

These facts are of importance at the present time."

#### **4. The Law in Other Provinces**

- (1) We find that 8 provinces out of 10 provide for local option. Prince Edward Island and New Brunswick have no such provision.
- (2) The details of the local option laws vary in different provinces, with respect to three things; the percentage of voters required on a petition asking for the vote, the majority required for its passage and the number of years before a second vote can be taken.
- (3) The percentage of voters required on a petition varies from 20% in Manitoba and Nova Scotia, up to 35% in British Columbia. In Quebec in certain cases as few as 30 electors or the Municipal Council may initiate a local option vote.

- (4) The majority required for approval varies from a simple majority (over 50%) as in the case of Manitoba, to 55% as in British Columbia and 60% in Ontario. In four other provinces — Newfoundland, Nova Scotia, Quebec and Saskatchewan — a simple majority carries.
- (5) The time that must elapse before a second local option vote can be taken after a previous one averages about 3 years.

## 5. Local Option in the U.S.A.

- (1) We find that local option is a practice that has been long approved in the United States. In 1919 at the time of the passage of the Prohibition amendment, 95% of the land area (and 68% of the population) was already "dry" through exercise of local option and State prohibition.\*
- (2) According to the Distilled Spirits Institute of Washington, D.C., there is now in effect some type of local option law regarding spirits in all but eight of the States. In a number of them there is a permissive law under which communities may provide for the sale of liquor if a majority vote for it under some form of local option. As to local option on beer sales, 32 States provide for it but 16 do not. The law applies to beer having more than 3.2% alcohol — beers of 3.2% or lower alcohol content being generally permitted without a vote.
- (3) The result of the operation of local option is that 688 counties out of 2,911 in the 46 "wet" states of the U.S.A. are "dry" with respect to the sale of distilled spirits. (All counties are, of course, legally "dry" in the two prohibition States.)
- (4) We are advised that the importance attached to local option in Maine, which was the first state to achieve prohibition (1851), was chiefly responsible for introducing the local option system to Canada about 100 years ago.
- (5) Fosdick and Scott\*\* provide three sound observations on the exercise of local option, which would seem to be very pertinent to any future application of the principle in Manitoba.

1. **The area of local option.** Existing political divisions are manifestly unsatisfactory. In some cases they are too large, including urban and rural elements; while in other cases they are too small, dividing homogeneous metropolitan areas. New local option areas, based on factual surveys, are manifestly a necessity.

\*Joint Committee Report.

\*\*"Toward Liquor Control".

2. **The subject matter of local option.** Although voters should not be asked to vote on problems that are too complicated or involved, the choice between "wet or dry" is too narrow. The automobile has upset the possibility of certain types of local restriction, and this condition should be frankly realized.
  3. **The stability of local option.** One of the most unfortunate features of local option under pre-prohibition conditions was the instability of community mood and decision. Frequent changing back and forth has the tendency to drive responsible persons out of the business. It forces the remaining proprietors into politics, and by increasing the financial hazards, provides an incentive to dealers to push sales inordinately. Partly to introduce greater stability, we have already suggested the creation of appropriate areas and the provision of the variety of options. We believe it desirable also to require that local option votes be at special elections, so that the question of liquor may not be involved in general politics. A matter thus determined should not be subject to reconsideration for three or four years. (pp 54-55)
- (6) The "subject matter" of local option votes is regarded as very important where various types of license are permissible, for example,
1. Whether distilled spirits, wine or beer are desired;
  2. Whether "on-premises" or "off-premises" consumption is preferred; and
  3. Whether liquor is desired with or without meals.

It is regarded as particularly important that local option questions be clear and distinct on some such classification as the following:

**For "on-premises" consumption**

Beer or beer and light wines by the glass;  
 Beer or beer and light wines with meals;  
 Spirits by glass;  
 Spirits with meals.

## 6. Local Option in Other Countries

The idea that local option is a normal democratic procedure is a peculiarly American view. The United Kingdom has had very little to do with it, and it was rejected as a policy by the Royal Commission on Licensing. A like stand was taken by the Royal Commission of both New Zealand and Australia.

## RECOMMENDATIONS

1. That local option as a principle be maintained under any new legislation and that the same general details of procedure presently prescribed be continued.

2. That for purposes of local option votes, a local option area be defined as any city, town, village or rural municipality.

3. That the law provide only permissive power for the establishment of any new type of on-premise outlet, and that no such outlet be permitted in any local option area unless and until a majority of the electors therein have approved of its establishment by local option vote.

4. That a petition to initiate a local option vote on one or more of the new types of on-premise outlets require, as in the present Act, the signatures of not less than 20 per cent of the resident electors of the local option area; with the exception that, during the first year in which the new licenses are permitted, the council of a city, town, village or rural municipality may, where it appears expedient initiate a vote on a local option by-law by a majority vote of the members thereof.

5. That during the first year in which the new types of on-premise licenses are permitted, local option votes may be held at any time; but that thereafter, the voting on local option by-laws and by-laws to repeal local option by-laws be held at the same time as the voting at annual municipal elections.

6. That, if a local option by-law on any one or more of the new types of licenses has been submitted to the electors in a local option area, no subsequent petition for the submission of a local option by-law or a by-law to repeal a local option by-law respecting the same type or types of licenses shall be received at any time prior to the expiration of 3 years thereafter.

7. That no local option by-law be required for the establishment of Government Liquor stores but that the Commission operate stores only in local option areas which have voted affirmatively for the establishment of one or more of the permitted types of on-premise licenses.

8. That no on-premise licenses be issued for premises situated in National, Provincial, Municipal or private parks or recreational grounds without the prior approval of the authorities having control over such areas.

9. That there be a separate question submitted on each of the proposed types of on-premise outlets and that a local option by-law may contain one or more of such questions. It should be noted that no beverage



room licenses may be granted as a result of a local option vote thereon unless a restaurant beer and wine license is or has been granted to the premises. Similarly no cocktail room licenses may be granted as a result of local option vote unless a dining room liquor license has been approved.

#### RESERVATION by Mr. Bracken

This recommendation provides that a local option vote may be taken in any local option area on any type of liquor license, no matter how small such local option area may be in size or population. It is my view that this may invite quite unnecessary controversy and concern in many small areas, some of which would not support a distilled spirits outlet by majority decision; some would be too small to make such an outlet economically worthwhile but more particularly, some small presently "wet" areas within larger "dry" municipalities might bring in a distilled spirits outlet contrary to the wishes of the larger area within which it is contained. I am of the view that any size of local option unit might be permitted to vote on beer and wine outlets, but that only the larger local option units should be given legal power to vote on distilled spirits outlets. A population figure of 3,000 has been mentioned, but the exact dividing line, if any, could well be left to the Legislature to decide.

#### RESERVATION by Dr. L'Heureux

While favoring the principle of local option together with the other members, I differ in my opinion as to its application.

The members wish the community to choose the types of outlets which it desires, while **I would recommend that the option be to decide only the choice of having or not having the sale of alcoholic beverages legalized for such a community.** The selection of the types of outlets would be left to the Government Liquor Control Board.

## CHAPTER XVIII

### ENFORCEMENT OF LIQUOR LAWS

#### Instructions to the Commission:

Without limiting in any way the general scope of its enquiry as hereinafore set out, the Commission be instructed in particular to make findings and recommendations with respect to:

The situation and problems now existing under the Government Liquor Control Act, 1928, and the situation and problems likely to exist under any amended Liquor Act providing any or all of the items under the preceding sections, such as —

the enforcement of liquor laws, particularly in regard to 'bootlegging' and illegal sale of intoxicants.

#### FINDINGS

##### 1. The Present Law

- (1) Responsibility for enforcement of the Government Liquor Control Act is set out in Section 211 of the Act as follows:

"211. (1) The duty of seeing that this Act is complied with and of enforcing it and of prosecuting offences against it and devolve upon all municipal constables, the Provincial Police, and the inspectors. Am.

- (2) Nothing herein releases the Attorney-General's Department, the Provincial Police or the inspectors from any responsibility for seeing to the enforcement of this Act or prevents them or any of them from doing any act or taking any proceeding to the end that this Act may be enforced in any municipality. Am.

- (3) Nothing herein prevents any person from laying an information or prosecuting in respect of any offence or supposed offence against this Act. Am.

- (4) If an agreement has been made between the Government of Manitoba and the Government of Canada under section 15 of The Provincial Police Act, while it is in effect any reference in this section or in any other section to the Provincial Police shall be deemed to include the Royal Canadian Mounted Police. New. R.S.M., c. 88, s. 210; am."

- (2) The Act provides for the appointment of a Chief Inspector and makes it his duty to supervise the inspectors appointed under the Act, to direct inspections of all licensed premises (except liquor stores) and to perform any other duties given him by the Attorney-General or the Commission. He must report to the Commission on his investigations and may recommend the cancellation of any permit or license.

- (3) As a part of the cost of administration of the Act, the Commission is empowered to pay out of its profits in each year sums not exceeding \$150,000 for the enforcement of the Act by the government, and for transporting, and maintaining all prisoners convicted of offences under the Act, whether such offences took place in organized municipalities or elsewhere.
- (4) Fines. All fines are payable to the Provincial Treasurer and go to the Consolidated Fund except where the conviction is brought about through the action of a municipally appointed constable or police officer, in which case the fine goes to the municipality. Where a municipal constable is assisted by the Provincial Police (now R.C.M.P.), the convicting magistrate may direct that the proceeds of the fine be apportioned between the municipality and the province.
- (5) Since the abolition of the Provincial Police in 1932, their duties have been taken over by the Royal Canadian Mounted Police. Thus, when R.C.M.P. officers in their capacity as "provincial police", effect an arrest and conviction under the Act, the fine levied is payable to the province, and any police costs (mileage etc.) are paid to the R.C.M.P.
- (6) In addition several municipalities in the province have policing agreements with the R.C.M.P. whereby officers of that force exercise the duties of municipal (town) police. When R.C.M.P. officers acting in their capacity as "municipal police" effect an arrest and conviction within the limits of the municipality, the fine levied is payable to the municipality, and any police costs (mileage, etc.) are paid to the R.C.M.P. The municipalities that have such agreements are Dauphin, Selkirk, Killarney, Minnedosa, Carman, Winnipeg Beach, Virden, Flin Flon, Carberry, Tuxedo, Beausejour, Swan River, Portage la Prairie, Manitou, Russell, Gimli, Melita, Rural Municipality of Charleswood, and Lynn Lake (unorganized territory).
- (7) Immediate Payment of Fines. It is particularly important to note that the Act requires "immediate payment" of all pecuniary fines, i.e. a magistrate imposing a pecuniary penalty cannot allow the convicted person any time in which to raise the amount of his fine and costs. In this respect, the Act differs from the Criminal Code and other federal and provincial legislation of a criminal or quasi-criminal nature which generally permits a justice to allow time for the payment of any pecuniary penalties imposed on offences much more serious than breaches of liquor act provisions. Needless to say, this requirement sometimes works a hardship on the accused person who by reason of ignorance or poverty, cannot pay

his fine when it is levied. It is also open to the suggestion that it is discriminatory in that a man with money is placed in a privileged position as compared with a person of limited or no means. It should also be noted that there is a fixed minimum penalty — \$20 provided for all offences under the Act which are not otherwise specifically dealt with. The Select Special Committee of the Legislature in 1952 recommended that this fixed minimum penalty set by Section 168 subsection (1) be repealed and that this repeal apply both to the minimum fine and imprisonment. The Committee suggested, however, that the maximum penalty provided by Section 168 be left unaltered. No action was taken by the Legislature on this recommendation.

- (8) Offences. A summary of the main prohibitions contained in the Act together with some comments of an explanatory nature where required will be found in the Appendix to this chapter.
- (9) Interdiction. By S.156, any magistrate, the Commission, The Chief Inspector, the Commissioner or any inspector of the Provincial Police (no longer in existence), and the Chief Constable of any city or town, is made an interdiction official. When it is made to appear to the satisfaction of any such interdiction official that any person resident or sojourning within the province, by excessive drinking of liquor, misspends, wastes, or lessens his estate, or injures his health, or interrupts the peace and happiness of his family, the official may make an order of interdiction directing the cancellation of any permit held by that person and prohibiting the sale of liquor to him until further ordered.

When an order of interdiction is made, it must be filed with the Commission which forthwith cancels the permit held by the interdicted person and notifies him of the cancellation and interdiction order. The Act also provides for the notification of such other persons "as may be provided by the regulations". The regulations passed pursuant to the Act are silent on this topic, but, by administrative order, the Commission has adopted the practice of notifying the following:

- (1) all liquor stores; and
- (2) if the interdicted person lives in a rural area, all licensees (beer parlors, clubs) within a 40 mile radius; and
- (3) if the interdicted person lives in Greater Winnipeg, all licensees in Greater Winnipeg; and
- (4) the law enforcement officers in the home district of the interdicted person; and

(5) the Chief Inspector.

On receipt of an order of interdiction, the interdicted person is required to deliver to the Commission all liquor lawfully in his possession for which the Commission can reimburse him as it sees fit. Any liquor held unlawfully by him is forfeited to the Crown, or destroyed or otherwise disposed of as the Attorney-General directs. The Act, as previously mentioned, makes it an offence for an interdicted person to have any liquor in his possession; for any person, other than a doctor or dentist on medical prescription; to supply liquor to him; for him to apply for a permit or enter or be found in any licensed premises or liquor store.

An order of interdiction may be revoked by the official who made it upon proof by the interdicted person that he has refrained from drunkenness for at least three months prior to his application for revocation. Alternatively, the interdicted person may apply to a County Court judge to have the order rescinded. The judge may set aside the order if satisfied:

- (a) that the circumstances of the case did not warrant the making of the order, or
- (b) that the applicant has refrained from drunkenness for at least three months immediately preceding his application.

- (10) Suspension and Cancellation of Permits and Licenses. By S.205 of the Act, a magistrate who convicts any person of an offence against the Act must forthwith send to the Chief Inspector a certificate of conviction. If the convicted person is a permittee, the Commission must immediately suspend his liquor permit.

The practice of the Commission in such cases is as follows:

If the permittee is convicted of minor infractions such as consumption in a public place, intoxication, or having liquor in a place other than the residence shown on the permit, and if it is a first conviction and there is no adverse recommendation by law enforcement officers, his permit is suspended for twenty-one days only. If the conviction is for a major offence such as illegal sale, or having liquor not purchased from the Commission, the permit is suspended for an indefinite period. The suspension of the permit of such a person may be lifted if the person makes application for re-instatement of his privileges and a favorable recommendation thereon is received from law enforcement officers.

This practice is in general conformity with S.28 of the Act which sets out the mode of cancellation and suspension of permits.

There is a further general power vested in the Commission by S.28(1) to suspend or cancel, in its discretion, with or without a hearing, any license or permit granted under the Act and all rights and privileges inherent in the said license or permit. This power is used with considerable caution by the Commission and with respect to cancellation or suspension of individual permits, usually only on private advice from law enforcement officers, medical doctors, etc.

Cancellation and suspension of individual permits may also be effected by resort to S.37 and S.58(2) of the Act. Under the former provision, the Commission may order in writing any place, building or premises to be a "prohibited place" for an indefinite period of time. While such an order is in force

- (a) no delivery of liquor can be made to, at, or in the prohibited place;
- (b) liquor cannot be had, kept, sold, purchased or consumed in the prohibited place; and
- (c) no person resident in the place can hold or be qualified to hold any license or permit and any license or permit held by any such person becomes null and void on the coming into force of the order.

The section further provides that if a beer parlor is situated in any prohibited place, the Commission may cause the parlor to be closed and the doors, windows and any other means of ingress to be boarded, sealed or padlocked. No person may enter such a closed parlor except with the written permission of the Commission. S.58(2) provides that if any person is convicted of keeping a disorderly house (under the Criminal Code) or of any offence against any of the provisions of the Act, committed in or in respect of any residence or in respect of any liquor kept therein or removed therefrom, the said premises shall cease to be a "residence" within the meaning of the Act for a period of one year from the date of the conviction or while such person resides there, whichever is the later. The place is then deemed to be a public place. Following the conviction, no permit can be issued to any occupant of the residence while the convicted person resides there (or during the period of one year). All permits issued to persons resident in the place may be cancelled. When the Commission is satisfied that a bona fide change of ownership or occupancy of such premises of a convicted person has taken place, or when it is satisfied that it is desirable to do so, it may declare the premises again to be a residence within the meaning of the Act by a certificate signed by the Chairman, Vice-Chairman or Chief Inspector.

- (11) With respect to licenses issued under the Act, S.110 of the Act provides the conditions for suspension or cancellation thereof following conviction of the licensee in respect of offences committed in the said premises.

Where a beer licensee, club licensee or drug licensee is convicted of a first offence against any provision of the Act, the Commission may, in its discretion, suspend or cancel his license.

Where any such licensee is convicted of two successive offences against any provision of the Act, whether under different sections or different parts of the same section or for offences of a different nature, the Commission may in its discretion cancel his license, and must suspend his license and not renew it for at least three months.

Where any such licensee is convicted of three successive offences against any provision of the Act, whether under different sections, etc., the Commission must cancel his license and the person convicted is thereafter disqualified from again obtaining any license under the Act. Likewise, where there are convictions for three successive offences against the Act in respect of the same licensed premises and whether against the same or different licensees, no license can be granted to any person in respect of those premises for a period of three years following the date of the last conviction. It should be noted that the Act does not limit the time within which the three convictions must take place in order for the prohibition to be invoked. In its consideration of this section, the Select Special Committee suggested that the absence of a time limit for the three convictions in some cases worked a hardship against innocent licensees and recommended that the prohibition in S.110(4) should not apply unless the three convictions in question occurred within a period of six years.

- (12) Prosecutions, Presumptions, and Court Proceedings Generally. All prosecutions for violation of the provisions of the Act must be heard and determined by police magistrates for the province as summary conviction matters. Justices of the Peace may receive an information or complaint and grant a summons or warrant thereon and do all other acts incidental to the hearing and determination of a case, notwithstanding that the trial must be before a police magistrate.

There is a six month limitation on the laying of information or complaints, i.e. the charge must be laid within six months of the occurrence of the alleged violation of the Act's provisions. The Act also requires the personal attendance of the accused in court to

answer to the charge and await judgment and sentence thereon, although he may have the assistance of counsel to conduct his defense. This requirement which first appeared in The Manitoba Temperance Act is almost unique to our Act as in most summary conviction matters, whether under provincial statutes or the Criminal Code, the accused need not appear personally and may be represented by counsel who can plead on his behalf. The principle of compulsory attendance of the accused was apparently included in the Act to facilitate proof of previous convictions where second, third, or fourth offences were charged.

- (13) From the standpoint of jurisprudence, perhaps the most contentious sections of the Act are those relating to the burden of proof in prosecutions for violations of the Act's provisions. In order that these sections may be better understood, they are reproduced here in full:

"S.192 In any prosecution under this Act where it appears that the defendant has done any act or been guilty of any omission in respect of which, were he not duly licensed or authorized, he would be liable to some penalty under this Act, it shall be incumbent upon the defendant to prove that he is duly licensed or authorized, and that he did the act lawfully. R.S.M., c.88.

S.193 Where, on the prosecution of any person charged with committing an offence against this Act, in selling or keeping for sale or giving or keeping or having or purchasing or receiving of liquor, prima facie proof is given that such person had in his possession or charge or control any liquor in respect of or concerning which he is being prosecuted, then unless such person proves that he did not commit the offence with which he is charged, he may be convicted of the offence. R.S.M., c.88.

S.194 (1) The burden of proving the right to have or keep or sell or give or purchase or consume liquor shall be on the person accused of improperly or unlawfully having or keeping or selling or giving or purchasing or consuming the liquor.

(2) The burden of proving that any prescription or administration of liquor is bona fide and for medical purposes only shall be upon the person who prescribes or administers the liquor, or causes the liquor to be administered, whether the person or another person is the person prosecuted; and a magistrate trying a case shall have the right to draw inferences of fact from the frequency with which similar prescriptions are given and from the amount of liquor prescribed or administered, and from the circumstances under which it is prescribed or administered. R.S.M., c.88."

These sections appear to place the onus of proving his innocence upon an accused person, a position which completely contradicts the basic presumption of Canadian criminal law and British justice, namely, that an accused person is presumed to be innocent of the



crime with which he is charged until proved guilty beyond a reasonable doubt, and that the onus is always upon the Crown to prove guilt and never upon an accused to prove his innocence. It should be noted, however, that principle of shifting the onus of proof to the accused is contained in the liquor legislation of most Provinces as well as in The Opium and Narcotic Drugs Act.

The Manitoba Court of Appeal in two comparatively recent decisions has commented upon the effect which a court should give to S.193.

In *Rex v Peleshaty* (1950) 1 W.W.R.108, Chief Justice Adamson (Adamson, J., as he then was) said, after quoting S.193, "In the eyes of the law a person is not guilty if there is a reasonable doubt. If an accused raises a reasonable doubt that he 'committed the offence', it must be found that he has proved 'that he did not commit the offence'. The doctrine of reasonable doubt is the very cornerstone of our criminal jurisprudence and is not to be whittled away, cut down or modified except by explicit words. The Legislature did not mean that a person may be convicted when there is a reasonable doubt . . . The section does shift the onus of proof but it does not do away with the doctrine of 'reasonable doubt' . . ."

In *Black v Cafferty* (1953) 60 M.R.483 @ P.487, Mr. Justice Montague said in reference to S.193: "Innocence of crime is presumed in the absence of evidence. S.193 of the Act requires the prosecution to give *prima facie* proof that the accused had in his possession or control liquor in respect of which he is being prosecuted, and then the burden is on the accused to prove that he did not commit the offence with which he is charged. In this case, therefore, the onus was on the prosecution to prove the liquid was 'liquor' . . ." It can therefore be observed that the Court of Appeal has strictly circumscribed S.193 so that while the onus is placed on an accused to prove his innocence, such proof need only raise a reasonable doubt in the mind of the presiding magistrate to be effective. The section as interpreted and applied by the court cannot be said to work an undue hardship on an accused. Conversely, its value to law enforcement officers is limited and they do not often rely on it.

- (14) The appeal provisions of the Act are unique in that, unlike the majority of summary conviction matters which are appealable to the County Court by way of a trial *de novo* (new trial), they provide that all appeals from convictions or dismissals of information under the Act must be taken directly to the Court of Appeal to be heard and determined as an appeal "on the record". In other

words, the Court of Appeal determines the merits of the appeal from a transcript of the evidence and the record as given at the trial before the magistrate, although it has the power to call additional witnesses not heard at the trial. The special appeal provisions of the Act were first introduced into Manitoba's liquor law in 1926 and were subsequently incorporated into the present Act in 1928. While there has been some suggestion that appeals from the police magistrate's court directly to the Court of Appeal work a hardship on convicted persons through the expense entailed in securing transcripts of the trial, evidence, etc., generally speaking the present method of appeal is looked upon as being eminently satisfactory from the standpoint of certainty and consistency of justice.

- (15) The concluding section of the Act, S.309, reads as follows:

"Where a person is found upon a street, highway, or in any public place in this Province in an intoxicated condition, he shall be guilty of an offence against this Act, and upon any prosecution for that offence he shall be compellable to state upon oath the name of the person from whom and the place in which he obtained the liquor which caused the intoxication, and in case of his refusal to do so he shall be imprisoned for a period not exceeding three months or until he discloses such information." R.S.M., c. 88, S.312, Am.

This section, which was taken from The Manitoba Temperance Act, is now seldom, if ever, resorted to. Conceivably, such a section would be an aid to law enforcement officers in a state which was attempting to enforce total prohibition of alcoholic beverages. However, it is suggested with respect, that it has no place in legislation which permits a citizen not only to purchase liquor from government stores but also to consume liquor in on-sale premises, at his home, or in other lawful places.

The Select Special Committee in 1952 commented upon this section as "not a desirable provision" and recommended its repeal.

## **2. Interpretation of Instruction 9(3)(a)**

- (1) This section 9(3)(a) of the Terms of Reference has to do with the enforcement of Liquor Laws, particularly in regard to Bootlegging and Illegal Sale of intoxicants. We take these instructions to mean consideration of all types of infractions under the Liquor Law with special attention being given to "bootlegging" and "illegal sale".
- (2) We find the above two terms used very loosely to cover three illegal practices: (1) the illegal manufacture of liquor, (2) the re-selling of legally purchased liquor, and (3) the selling of illegally obtained liquor.

- (3) For purposes of discussion these differences should be kept in mind. The illegal manufacture of liquor often spoken of as bootlegging, comes under the jurisdiction of the federal authorities as an offence against the Excise Act (Dominion). The "illegal sale" of liquor will be taken herein to mean the resale of legally purchased liquor. The sale of illegally manufactured liquor commonly known as "moonshine" or "homebrew" we shall take to mean "bootlegging" for purposes of this report.

### 3. Administration

- (1) The total number of annual convictions under the Government Liquor Control Act from its inception (1928) to 1953 are as follows:

| Year | Number of Convictions | Amount of Fines<br>Imposed |
|------|-----------------------|----------------------------|
| 1928 | 1,243                 | \$122,220                  |
| 1929 | 1,715                 | 167,490                    |
| 1930 | 1,294                 | 126,295                    |
| 1931 | 1,163                 | 106,180                    |
| 1932 | 787                   | 75,430                     |
| 1933 | 786                   | 77,645                     |
| 1934 | 892                   | 91,930                     |
| 1935 | 859                   | 86,360                     |
| 1936 | 957                   | 96,065                     |
| 1937 | 835                   | 70,550                     |
| 1938 | 900                   | 77,842                     |
| 1939 | 1,018                 | 81,560                     |
| 1940 | 1,011                 | 76,272                     |
| 1941 | 1,129                 | 79,454                     |
| 1942 | 1,114                 | 62,870                     |
| 1943 | 985                   | 58,155                     |
| 1944 | 1,165                 | 60,114                     |
| 1945 | 1,418                 | 67,539                     |
| 1946 | 2,472                 | 112,567                    |
| 1947 | 2,355                 | 97,817                     |
| 1948 | 2,355                 | 93,445                     |
| 1949 | 2,677                 | 101,003                    |
| 1950 | 2,654                 | 101,413                    |
| 1951 | 2,576                 | 102,520                    |
| 1952 | 3,030                 | 119,515                    |
| 1953 | 3,298                 | 133,110                    |
| 1954 | 3,686                 | 160,568                    |

From Annual Reports, Chief  
Inspector, Government Liquor  
Control Act.

- (2) The most common infractions under the Act other than bootlegging and illegal sale have been found to be, in order of numbers in 1954 as follows:

## DETAILED REPORT OF LIQUOR ACT CONVICTIONS

January 1st to December 31st, 1954

| Sec. of Act | Offence                                                   | Chief Insp.<br>G.L.C.A. | RCMP | Wpg.<br>Police | Munic.<br>Police | Total |
|-------------|-----------------------------------------------------------|-------------------------|------|----------------|------------------|-------|
| 58-1        | Liquor in a place other than that named in permit.        | 9                       | 925  | 96             | 237              | 1,267 |
| 147-2       | Intoxicated in a public place.                            | ....                    | 587  | 401            | 279              | 1,267 |
| 147-1       | Consume liquor in a public place.                         | ....                    | 192  | 29             | 68               | 289   |
| 146-2       | Purchased from unauthorized person.                       | ....                    | 85   | 122            | 30               | 237   |
| 146-b       | Have liquor not purchased from Commission.                | ....                    | 66   | 69             | 15               | 150   |
| 105-2       | Disorderly and causing disturbance in beer parlor.        | ....                    | 61   | 7              | 15               | 83    |
| 142-a       | Keep liquor at a place other than residence.              | 1                       | 22   | 45             | 15               | 83    |
| 148-1       | Did give liquor to a minor.                               | 4                       | 41   | 17             | 16               | 78    |
| 141         | Unlawful sale.                                            | ....                    | 12   | 44             | 5                | 61    |
| 92          | Being a minor and interdict did enter a beer parlor.      | 3                       | 42   | 3              | 4                | 52    |
| 42-2        | Applied for permit while disqualified.                    | 5                       | 27   | 6              | 7                | 45    |
| 148-1       | Supplied liquor to an interdict.                          | ....                    | ..   | ....           | 16               | 16    |
| 48a(11)     | Over-purchase.                                            | 5                       | 6    | ....           | ....             | 11    |
| 37-2b       | Have liquor in a prohibited place.                        | ....                    | 9    | ....           | 1                | 10    |
| 149-1       | Did purchase liquor under permit not his own.             | ....                    | 4    | 3              | 1                | 8     |
| 158         | Being an interdicted person had liquor in his possession. | ....                    | 7    | ....           | ....             | 7     |
| 145-2       | Illegal transport of liquor                               | ....                    | .... | 6              | ....             | 6     |
| 148-2       | Procured liquor for suspended permittee                   | ....                    | 4    | ....           | 1                | 5     |
| 151-a       | Permitted drunkenness in premises                         | ....                    | 2    | ....           | 3                | 5     |
| 149-2       | Applied for permit under name not his own.                | ....                    | 2    | 2              | ....             | 4     |
| 149-3       | Applied for permit for premises other than his own.       | ....                    | .... | ....           | 2                | 2     |

| Sec. of Act | Offence                                                                   | Chief Insp.<br>G.L.C.A. | RCMP  | Wpg.<br>Police | Munic.<br>Police | Total |
|-------------|---------------------------------------------------------------------------|-------------------------|-------|----------------|------------------|-------|
| 101         | Did allow unauthorized person in beer parlor.                             | ....                    | 2     | ....           | ....             | 2     |
| 43-1        | Did allow another person to use his permit.                               | ....                    | 2     | ....           | ....             | 2     |
| 10-1        | Being holder of banquet permit failed to heed GLCC regulations.           | ....                    | 2     | ....           | ....             | 2     |
| 41-5        | Failing to account for purchase of liquor under banquet permit.           | 2                       | ....  | ....           | ....             | 2     |
| 10-12B      | Advertising a banquet without permission.                                 | 2                       | ....  | ....           | ....             | 2     |
| 28-1        | Purchase while permit suspended.                                          | 1                       | ....  | ....           | ....             | 1     |
| 85          | Failed to carry beer to place named on permit.                            | ....                    | 1     | ....           | ....             | 1     |
| 160         | Being an interdicted person applied for permit.                           | ....                    | 1     | ....           | ....             | 1     |
| 120-2       | Druggist did sell liquor to person without physician's prescription.      | ....                    | 1     | ....           | ....             | 1     |
| 60-1        | Doctor did write prescription for liquor to person not bona-fide patient. | ....                    | 1     | ....           | ....             | 1     |
| 151         | Gave liquor to interdicted person.                                        | ....                    | 1     | ....           | ....             | 1     |
| Totals      |                                                                           | 32                      | 2,105 | 850            | 715              | 3,702 |

As reported by Chief Inspector,  
Government Liquor Control Act.

(3) The number of convictions for drunkenness per 100,000 population, 16 years of age and over, for Manitoba has increased from 155.6 in 1931 to 410 in 1952. (See detailed table in Chapter XII.)

(4) Number of convictions for drunkenness, 16 years of age and over, for Manitoba — 1931 to 1952.

|      |       |      |       |
|------|-------|------|-------|
| 1931 | 1,089 | 1942 | 1,580 |
| 1932 | 1,023 | 1943 | 1,885 |
| 1933 | 737   | 1944 | 1,451 |
| 1934 | 826   | 1945 | 2,040 |
| 1935 | 1,054 | 1946 | 2,685 |
| 1936 | 1,125 | 1947 | 2,510 |
| 1937 | 1,050 | 1948 | 2,829 |
| 1938 | 1,286 | 1949 | 3,613 |
| 1939 | 985   | 1950 | 2,984 |
| 1940 | 1,527 | 1951 | 3,098 |
| 1941 | 1,472 | 1952 | 3,272 |

Source: Dominion Bureau of Statistics.

(5) The number of convictions for offences against the Liquor Acts:

(a) 16 years of age and over for Manitoba, 1931 to 1952.

|      |       |      |       |
|------|-------|------|-------|
| 1931 | 1,144 | 1942 | 1,130 |
| 1932 | 900   | 1943 | 1,086 |
| 1933 | 708   | 1944 | 1,057 |
| 1934 | 826   | 1945 | 1,429 |
| 1935 | 792   | 1946 | 2,059 |
| 1936 | 940   | 1947 | 2,229 |
| 1937 | 849   | 1948 | 1,921 |
| 1938 | 886   | 1949 | 1,574 |
| 1939 | 1,052 | 1950 | 1,980 |
| 1940 | 997   | 1951 | 1,961 |
| 1941 | 624   | 1952 | 2,314 |

(b) Per 100,000 population, 16 years of age and over, for Manitoba, 1931 to 1952.

|      |       |      |       |
|------|-------|------|-------|
| 1931 | 163.4 | 1942 | 156.1 |
| 1932 | 127.7 | 1943 | 150.2 |
| 1933 | 100.0 | 1944 | 145.4 |
| 1934 | 116.5 | 1945 | 196.6 |
| 1935 | 111.5 | 1946 | 283.2 |
| 1936 | 132.2 | 1947 | 301.6 |
| 1937 | 118.7 | 1948 | 257.5 |
| 1938 | 123.1 | 1949 | 207.9 |
| 1939 | 144.9 | 1950 | 257.8 |
| 1940 | 137.0 | 1951 | 252.7 |
| 1941 | 85.5  | 1952 | 290.0 |

Source: Dominion Bureau of Statistics.

- (6) We find the offences of juvenile offenders, 15 years and under, male and female for drunkenness in Manitoba, over a period of eleven years has been only thirteen males and seven females.
- (7) The offences for juvenile offenders, fifteen years and under, with breaches of Liquor Act in Manitoba, for the years 1937 to 1948, to be forty-nine males and six females during the twelve year period.
- (8) We find the opinions of representative officials re law enforcement to be as follows:

#### **A Chief of Police**

The liquor law is not being observed, and when you have a law that has not got public sympathy or respect, then all the policemen in Manitoba brought to this locality could not enforce it. We have ample evidence of non-observance. But as police officers we will do our best to enforce the law as it is written.

## **Suburban Chiefs of Police**

A summary of the suggestion made by two suburban police chiefs is as follows:

1. It would be of great assistance to the suburban police department if there were a separate central liquor enforcement squad that they could call on to enforce the liquor laws.
2. Law enforcement would be easier if dine and dance places were allowed to sell liquor by the glass providing that these establishments were kept to a high standard before such licenses were allowed or renewed.

## **A Liquor Store Manager**

The store manager said he felt that it would be impossible to enforce the rule that liquor must be consumed only at the address on the permit. He said he felt the law enforcement aspect of the permit system is far over-rated.

## **Another Liquor Store Manager**

It was the opinion of this store manager that when persons make a purchase from the liquor store they consider the goods theirs and pay no attention whatever to the regulations regarding consumption only at the address on the permit. Because of this he said "Much liquor purchased is not drunk legally".

## **A Third Liquor Store Manager**

He says he personally would like to see permits done away with as the R.C.M.P. use his master-card files only two or three times a month.

- (9) Enforcement officers on our request have made the following recommendations which they suggest would be an aid to them in enforcement:

## **GENERAL**

- (1) Liquor law enforcement varies between municipalities — many municipalities treat the liquor law as if it was a municipal by-law, resulting in as many policies of liquor law enforcement as there are municipal authorities.

There should be only one Liquor Law Enforcement authority for the province. Sec. 211 s.s. 1 — Spreads actual enforcement authority too wide.

- (2) The Act should allow for the obtaining of information in a manner similar to that under the Narcotic Drug Act.

- (3) One-man inspections with respect to Banquets, Clubs, Night Beer Parlor Inspections, etc., no longer facilitate proper law enforcement. One cannot properly impress patrons nor can he obtain the necessary evidence in cases where prosecutions might be desirable.
- (4) The carrying of full or part bottles of liquor by individuals should be given some consideration with a view to legalizing this situation under certain circumstances.
- (5) Higher fines and stiffer penalties should be provided for illegally supplying intoxicants to persons under the age of 21 years.
- (6) Some provisions should be made for charging minors with illegal consumption as Sec. 92 of the present Act does not make this an offence.

### **PERMITS**

- (7) The definition of residence and public place could be clarified with the definition of residence being extended to include a portion of the land upon which the dwelling is situated.
- (8) The consuming of liquor in any private residence whether the liquor is the property of the occupier thereof or not should be legal.
- (9) The provisions for cancelling permits should be extended to convictions for drunken driving and driving while ability impaired.

### **CLUBS**

- (10) Drinking in establishments such as the Manitoba Club, Carleton Club, Press Club, etc., should be legalized and made subject to proper inspection and supervision.
- (11) Illegal drinking (Sunday and after hours) is prevalent in the summer in Golf Clubs and in the winter in Curling Clubs and therefore some consideration should be given to facilitating this activity legally or putting a stop to the practice entirely. This is a situation where short term seasonal licenses could be considered.
- (12) Establishments with the status of a night club or serving this function should be subject to inspection and supervisions. This is not advocating that such places be granted liquor vending licenses.
- (13) Veterans Clubs and like organizations should be required to supply facilities beyond beer drinking and bingo; e.g. a portion of the premises where members should relax, read newspapers and magazines, or play a friendly game of cards, etc.



## **BANQUET PERMITS**

- (14) There should be various classes of Banquet Permits rather than the single type of permit now issued, with different regulations and conditions applicable to each class.
- (15) Banquets generally should be strictly supervised and often inspected in order that they not get out of hand. Presently not sufficient numbers of banquets are being inspected and this is the reason for the big majority of the evils (selling, misconduct, etc.) which exists at banquets today.

## **LIQUOR STORES**

- (16) There should be more Government Liquor Control Commission outlets in the Province of Manitoba. It is suggested that consideration could be given in the smaller centers to allowing the druggist or some other like responsible person, to be appointed as an agent for the Government Liquor Control Commission.
- (17) Generally, the liquor store hours are inadequate and it is suggested that store hours could be extended to 10.00 p.m. with one or more stores in the larger centers open until 12 midnight.

## **BEER PARLORS AND BEER VENDORS**

- (18) The two most frequent complaints that appear to cause the most public irritation and inconvenience are as follows:
  - (a) Persons are unable to purchase the brand of beer that they desire as not all brands are carried in stock. It is suggested that it be mandatory that every Manitoba brand of beer be carried in beer vendor and beer parlor stocks, in sufficient quantity to meet the public demand.
  - (b) The quantity of beer served by the glass is very often short of the required amount (this has been proven many times in the greater number of hotels in the Province by actual measurement) and it is impossible with the present glass for the customer to know the quantity which must be served. This problem could be finally settled if the quantity of beer to be sold by the glass was stipulated and the glasses in which it was to be served contained thereon a "tide line" designating the level to which the beer must be poured.
- (19) Beer Parlor supper hour closing should be mandatory. The suggested most convenient hour is from 6.30 P.M. to 7.30 P.M.
- (20) Beer Parlor and Beer Vendor hours should extend from 10.00 A.M. to 11.00 P.M.

- (21) Beer service in the beer parlor should be discontinued at 10.45 P.M., no consumption allowed after 11.00 P.M. and the beer parlor cleared of all patrons by 11.15 P.M. Beer Vendor allowed to sell until 11.00 P.M. and not required to close during the supper hour.
  - (22) The present policy with respect to the restricting of the quantity of beer served to a patron should be made mandatory (no more than one bottle or two glasses to any patron at any time with further service prohibited until the quantity of beer before the patron is consumed).
  - (23) All establishments with liquor (beer, etc.) vending license should have a rated maximum capacity and this number prominently displayed on the premises and penalties imposed against the licensee for allowing this number to be exceeded. It is suggested from a Law Enforcement, Sanitation and Public Safety point of view that the maximum allowed for any establishment not exceed 400 patrons.
  - (24) Radio and T.V. could be permissible on licensed premises with singing, dancing, games, etc., prohibited.
  - (25) Beer Parlor employees should be required to wear a standardized uniform while on duty.
  - (26) There should be an absolute prohibition against soliciting of any kind in licensed premises, e.g. tag days, Salvation Army, etc. At the present time disturbances, and in some cases fights, have arisen because of the presence of taggers, or Salvation Army personnel, soliciting money in beer parlors. In addition, this has led at least one church to complain to the Liquor Commission about the open soliciting done by the Salvation Army in beer parlors. This prohibition should be wide enough to prohibit the sale of raffle tickets, etc., in beer parlors as well.
- (10) In the period 1929-1942 liquor law enforcement for the Province of Manitoba centred around the Department of the Chief Inspector whose staff consisted of himself, fourteen Inspectors, four Constables, and fourteen Operators, operating throughout the province in squads.
  - (11) In August, 1942 special agreements were made with the Royal Canadian Mounted Police and City of Winnipeg Police whereby in return for monetary payments agreed upon, the R.C.M.P. took over liquor law (and other) enforcement in the country; and the City of Winnipeg Morality Department was enlarged by two or three members to take care of liquor law enforcement in the City of Winnipeg.

- (12) At about the same time the staff of the Chief Inspector was reduced to a Chief Inspector and five inspectors, and we have been advised that the R.C.M.P. were increased by seven or eight men.

In 1952, two more inspectors were added to the Chief Inspector's Department because of the greater volume of banquet inspections necessary.

- (13) We find that the work of this Department has increased much more rapidly than the numbers on the Inspector's staff. The number of licensed places subject to Inspection were as follows in 1942 and 1954:

|      | Beer Parlors | Beer Vendors | Clubs | Banquets |
|------|--------------|--------------|-------|----------|
| 1942 | 251          | 214          | 43    | 3,272    |
| 1954 | 268          | 252          | 73    | 9,209    |

- (14) For the information of those concerned with law enforcement, statistics as to the number of law enforcement officers in Manitoba will be found in the four tables which follow.

### SUMMARY STRENGTH OF POLICE AND LIQUOR ACT ENFORCEMENT OFFICERS IN MANITOBA

|                                                                                                                                                                                                         | Total        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| <b>Inspectors, Government Liquor Control Act</b> .....                                                                                                                                                  | 8            |
| <b>City of Winnipeg Police</b> (includes morality Division 13) .....                                                                                                                                    | 400          |
| <b>Suburban Municipal Police</b>                                                                                                                                                                        |              |
| R.M. of Fort Garry .....                                                                                                                                                                                | 9            |
| R.M. of East Kildonan .....                                                                                                                                                                             | 25           |
| R.M. of North Kildonan .....                                                                                                                                                                            | 3            |
| R.M. of West Kildonan .....                                                                                                                                                                             | 8            |
| R.M. of St. James .....                                                                                                                                                                                 | 21           |
| R.M. of St. Vital .....                                                                                                                                                                                 | 13           |
| R.M. of Transcona .....                                                                                                                                                                                 | 6            |
| R.M. of Brooklands .....                                                                                                                                                                                | 6            |
| <b>City of St. Boniface Police</b> .....                                                                                                                                                                | 28           |
| <b>City of Brandon Police</b> .....                                                                                                                                                                     | 21           |
| <b>Other Municipal Police</b> (From information supplied by the Department of Municipal Affairs (towns, municipalities, villages and local government districts not under contract with R.C.M.P.) ..... | 170          |
| <b>R.C.M.P. Contract Strength</b> .....                                                                                                                                                                 | 200          |
| <b>Outside Strength</b> .....                                                                                                                                                                           | 78           |
| <b>Town Contracts (including 3 seasonal Winnipeg Beach)</b> .....                                                                                                                                       | 55           |
|                                                                                                                                                                                                         | 333          |
|                                                                                                                                                                                                         | <u>1,047</u> |

Source: From information supplied by  
the above mentioned enforcement  
authorities, June, 1955.

**GOVERNMENT LIQUOR CONTROL ACT  
INSPECTORS**

| <b>Year</b> |                                                                  | <b>Total</b> |
|-------------|------------------------------------------------------------------|--------------|
| 1928-1939   | Chief Inspector<br>14 Inspectors<br>4 Constables<br>14 Operators | 33           |
| 1939-1942   | Chief Inspector<br>7 Inspectors<br>3 Constables                  | 11           |
| 1942-1952   | Chief Inspector<br>5 Inspectors                                  | 6            |
| 1952-1955   | Chief Inspector<br>7 Inspectors                                  | 8            |

Source: Information supplied by  
Chief Inspector.

**WINNIPEG CITY POLICE STRENGTH  
1928-1955**

| <b>Year</b> | <b>Morality<br/>Division</b> | <b>Total<br/>Strength</b> |
|-------------|------------------------------|---------------------------|
| 1928        | 14                           | 228                       |
| 1929        | 11                           | 231                       |
| 1930        | 10                           | 231                       |
| 1931        | 10                           | 243                       |
| 1932        | 10                           | 244                       |
| 1933        | 11                           | 233                       |
| 1934        | 11                           | 237                       |
| 1935        | 11                           | 236                       |
| 1936        | 12                           | 241                       |
| 1937        | 13                           | 268                       |
| 1938        | 11                           | 265                       |
| 1939        | 11                           | 265                       |
| 1940        | 11                           | 265                       |
| 1941        | 8                            | 255                       |
| 1942        | 11                           | 261                       |
| 1943        | 10                           | 246                       |
| 1944        | 12                           | 244                       |
| 1945        | 10                           | 257                       |
| 1946        | 10                           | 294                       |
| 1947        | 11                           | 300                       |
| 1948        | 13                           | 300                       |
| 1949        | 14                           | 317                       |
| 1950        | 14                           | 339                       |
| 1951        | 16                           | 331                       |
| 1952        | 14                           | 328                       |
| 1953        | 15                           | 363                       |
| 1954        | 14                           | 387                       |
| 1955        | 13                           | 400                       |

Source: Information supplied by  
Winnipeg Police Department.

**R.C.M.P. STRENGTH BY YEARS IN MANITOBA**  
1932-1955

| <b>Year</b> | <b>Town<br/>Contract<br/>Strength</b> | <b>Outside<br/>Contract<br/>Strength</b> | <b>Contract<br/>Strength</b> | <b>Total<br/>Manitoba<br/>Strength</b> |
|-------------|---------------------------------------|------------------------------------------|------------------------------|----------------------------------------|
| 1932        |                                       |                                          | 125                          |                                        |
| 1933        |                                       |                                          | 125                          |                                        |
| 1934        |                                       | 97                                       | 125                          | 222                                    |
| 1935        | 3                                     | 102                                      | 125                          | 230                                    |
| 1936        | 3                                     | 112                                      | 150                          | 265                                    |
| 1937        | 3                                     | 52                                       | 150                          | 205                                    |
| 1938        | 3                                     | 40                                       | 150                          | 193                                    |
| 1939        | 3                                     | 44                                       | 150                          | 197                                    |
| 1940        | 4                                     | 90                                       | 150                          | 244                                    |
| 1941        | 11 approx.                            | 116                                      | 150                          | 277                                    |
| 1942        | 15 "                                  | 128                                      | 150                          | 293                                    |
| 1943        | 18 "                                  | 146                                      | 150                          | 314                                    |
| 1944        | 24                                    | 41                                       | 175                          | 240                                    |
| 1945        | 28                                    | 56                                       | 175                          | 271                                    |
| 1946        | 36                                    | 54                                       | 175                          | 265                                    |
| 1947        | 37                                    | 39                                       | 175                          | 251                                    |
| 1948        | 41                                    | 51                                       | 175                          | 267                                    |
| 1949        | 44                                    | 35                                       | 175                          | 254                                    |
| 1950        | 42                                    | 38                                       | 175                          | 255                                    |
| 1951        | 44                                    | 75                                       | 175                          | 294                                    |
| 1952        | 49                                    | 89                                       | 175                          | 313                                    |
| 1953        | 48                                    | 83                                       | 190                          | 321                                    |
| 1954        | 51                                    | 92                                       | 195                          | 338                                    |
| 1955        | 52                                    | 78                                       | 200                          | 330                                    |

Source: Information supplied  
by R.C.M.P.

**TOWN CONTRACTS WITH R.C.M.P.**

|                                         |           |
|-----------------------------------------|-----------|
| Town of Dauphin .....                   | 7         |
| Town of Selkirk .....                   | 6         |
| Town of Killarney .....                 | 1         |
| Town of Minnedosa .....                 | 2         |
| Town of Carman .....                    | 2         |
| Town of Winnipeg Beach .....            | 4         |
| Town of Virden ...                      | 2         |
| Town of Flin Flon .....                 | 10        |
| Town of Carberry .....                  | 1         |
| Town of Tuxedo ...                      | 2         |
| Town of Beausejour .....                | 1         |
| Town of Swan River .....                | 2         |
| City of Portage la Prairie .....        | 8         |
| Village of Manitou .....                | 1         |
| Town of Russell ...                     | 1         |
| Village of Gimli .....                  | 1         |
| Town of Melita .....                    | 1         |
| Rural Municipality of Charleswood ..... | 2         |
| Lynn Lake (Unorganized territory) ..... | 1         |
| <b>Total</b>                            | <b>55</b> |

Source: Information supplied  
by R.C.M.P.

#### 4. Manitoba Opinion

- (1) We have found that many people seem to feel that the changes in social and economic conditions and in public opinion since the first world war, and more particularly since the outbreak of the second world war, are reflected in non-enforcement and that liberalization of some aspects of the liquor law is warranted.
- (2) While many people reported that certain aspects of the law are not now being observed or adequately enforced, some admitted also that there is no strong public demand and apparently but little demand even in legislature for the enforcement of certain of the less popular provisions.
- (3) A similar idea was implicit in several of the briefs, viz. that whoever is responsible for lack of enforcement, there has been let develop a degree of non-enforcement of the Act, only because certain features of it have lost wide public support.
- (4) One view tersely expressed was:

“It is useless to enact legislation unless it can be enforced and that means that it must have the backing of public opinion.”
- (5) All law enforcement officers, it was found, are generally allowed and generally exercise some considerable latitude in determining how strictly they will enforce the Liquor Act.
- (6) The opinion was commonly held that when the law enforcement squad was too small, more people are tempted to break the law because the chance of being caught is that much less.
- (7) We found an opinion held in some quarters that the enforcement of the Liquor Law has not been impartial and that certain so-called respectable quarters have been allowed to escape inspection while others have been inspected regularly.
- (8) It was presented to us from several sources that in many instances the municipal police are too close to this problem to give the law effective enforcement.
- (9) The feeling was often expressed that enforcement of the Liquor Laws is not strict enough and that a considerable proportion of liquor purchased from Government Liquor stores is subsequently handled and consumed in a manner contrary to the law.
- (10) Several enforcement officials stated that the manufacture of illicit liquor has greatly decreased: they did not consider that the illegal distilling of “home brew” is now of serious proportions in the Province.

- (11) We were advised also that while most of the illegal distilling is carried on in remote rural areas, much of the market is in urban centers where the population is heaviest.
- (12) Most of those appearing before the Commission were of the opinion that the illegal selling of liquor purchased from Government Liquor stores is a larger problem than the manufacture of illicit liquor.
- (13) It has been reported to us unofficially also that it is not uncommon after hours for persons desiring liquor to have it provided by calling certain taxi drivers or hotel operators and that some taxi drivers are not without knowledge of where bootleggers are located.
- (14) It was brought to our attention that invariably first offenders convicted of illegal sale under the Act are required to pay a fine of \$200.00 plus varying suspended sentences, a penalty which is the absolute minimum required by the law.
- (15) In answer to questions regarding illegal distilling in Northern Manitoba, one witness replied as follows:

Mr. Bracken Q: Approximately how many illegal stills have been discovered in a year's time?

A: In the one and one-half years I have been here I would say roughly eighteen. In some instances that would involve the same person.

Q: That is the illicit production of hard liquor?

A: Yes.

Q: Would you say the situation with respect to stills is getting worse or better?

A: That is a difficult question to answer.

Q: Have you any ideas as to the number of stills operating in this community?

A: No, I could not say. A considerable number. One reason given to me by those who consume illicit spirits is their inability to obtain it legally within the area. That is not my reason, but the reason presented by people with whom I came in contact.

- (16) It was reported that products containing alcohol such as extracts and patent medicines are being sold to some considerable extent in Manitoba.
- (17) With reference to Section 11 of the Manitoba Liquor Act, which deals with the passing of regulations to declare any substance to be liquor which "is capable of being made a drinkable liquid which is intoxicating", we find that no such regulations have been passed.

(18) Regarding consumption of extracts and other forms of non-beverage alcohol, R.C.M.P. authorities in Manitoba indicate that the problem is not a serious one currently in the areas which they police. The problem chiefly arises in connection with the sale of extracts, such as lemon extract, to Treaty Indians who are not legally authorized to purchase beverage alcohol. Anyone who provides liquor to Indians is chargeable under the Indian Act, and consequently most storekeepers refuse to sell extracts to Indians. R.C.M.P. officers indicated that, generally speaking, trouble-making sales of extracts to Indians tended to be made by marginal storekeepers who were anxious to add to their profits in any way possible and despite the risks involved. The officers expressed the opinion that in the large cities the consumption of non-beverage alcohol by white people might be a problem (of the Skid Row type), but stated that there was no such problem in the rural areas for which they were responsible.

(19) The view was often stated that while there had been a considerable increase in liquor sales in Manitoba there had been no corresponding increase in the number of enforcement personnel specifically engaged in enforcement of the Liquor Act. In the presentation of one of the churches this point of view was expressed as follows:

"The members of the Commission have heard statements that have questioned the adequacy of present provisions for the enforcement of the Liquor Laws. It is our impression that the expansion of the business of the Government Liquor Control Commission during the past number of years has not been matched by similar expansion of the force of Inspectors under the Chief Inspector of the Government Liquor Control Commission."

(Submission No. 112)

(20) Mandatory jail sentences for those convicted of bootlegging was suggested by many. Others felt that fines were too small and the courts too lenient with such offenders. Several groups suggested that penalties should be particularly heavy for bootleggers who sell to minors.

(21) Disrespect for the Liquor Law was mentioned with some concern in a number of representations. The Manitoba Federation of Agriculture summed up its feeling in this matter as follows:

"We believe that failure to enforce these laws leads to a general laxness in the attitude of the public toward law enforcement generally. We would oppose any suggestion that the situation would be improved by any alteration of the law in a direction to make liquor more easily available. We have no specific proposals on enforcement except to say we insist that the legislation and regulations adopted should be strongly enforced and that all staff necessary for that purpose should be made available."



(22) A number of briefs gave as a reason for bootlegging, the inaccessibility of Government Liquor Stores or other liquor outlets. Some stated that in areas not adequately served, the transporting of liquor for others, whether or not for private gain, was bound to occur. It was stated by the Eastern Division of the Manitoba Tourist Association: "As there are no outlets and the sale of liquor is at present prohibited in the Whiteshell district that in this area bootlegging is a problem".

(23) It was brought to the Commission's attention also that a prevalent complaint in beer parlors has to do with the serving of short quantities in glasses of draft beer. Whereas Regulations under the Liquor Act require the serving of 6¼ oz. in a glass of draft beer, it is reported that full measure is not given in some beer parlors especially during the rush periods. It was estimated that in some instances bartenders are encouraged by some hotel owners and licensees to obtain a return of 330 or 335 glasses instead of 320 from a ½ keg of beer or, in other words, a return of \$33.00 to \$33.50 from a ½ keg of beer instead of \$32.00 based on full 6¼ oz. measure per glass.

(24) The following are some typical and representative points of view as expressed by witnesses appearing before the Commission:

"We consider the present laws against bootlegging and illegal sale of liquor to be fairly adequate but the Government must be prepared to enforce them. We realize that the problem of enforcement is made more difficult through a wide spread feeling in the public mind that it is 'smart' to outwit the laws against illegal sale of liquor and we feel that a definite campaign of education is needed starting at the home level and supported by all the law abiding forces in the community to teach respect for these laws and willingness to co-operate with the police in the enforcement of them."

(Submission No. 81)

"It seems to me there is increasing disrespect for the law because people think it was written for a certain few. When you hear of respected people breaking the law then people generally will have no respect for it."

(Submission No. 101)

"We submit that it is the duty of the law enforcement officers of this Province to strictly enforce liquor legislation without fear or favor in exactly the same way as other legislation is enforced."

(Submission No. 129)

(25) Excerpts from submission of The Executive of Winnipeg South Young Liberal Association:

"We feel that we are in a position to know something of the drinking habits of young people in Greater Winnipeg and of the attitude of disrespect for certain aspects of the liquor laws which is prevalent in this city.

Members of the Commission should be aware of the fact that it is a general practice at every dance or party that is held at many dine-and-dance houses and hotels in Greater Winnipeg for each couple to bring along a bottle of liquor for consumption during the evening. It is true that in most establishments there is a sign reading, "No intoxicating liquor allowed," but drinking is carried on quite openly, with the proprietor supplying ice, water, and soft drinks to mix with the liquor.

This practice is not confined to a "rowdy" or negligible section of the community. Members of our executive know from their personal experience that this is a common practice at respectable places like Jack's Place, the Highwayman, Rancho Don Carlos, the Edgewater, Club Copacabana, Club Seven Oaks, the Winnipeg Canoe Club, the St. Charles Hotel, the Royal Alexandra Hotel, Duke's, the Fort Garry Hotel and the Marlborough Hotel.

We do not single out these places for attack; we recognize that the management of these establishments cannot do very much about the situation in view of the universal attitude of their patrons.

In contrast to local beer parlors, where proprietors are made responsible by law for the exclusion of minors, there are no restrictions as to age in night clubs, restaurants and hotels, and consequently minors join freely with others at these parties and dances.

The practice of bringing a bottle illegally to dances and parties is common not only at private parties in these establishments. At most important social evenings sponsored by many young people's associations, it is commonly accepted that a large number of the couples in attendance will have their bottle of liquor.

We do not wish to convey the impression that the adults in charge of these functions encourage liquor drinking, but it is significant that among the young people hardly any one raises a voice in protest at these deliberate violations of the law. Even those who themselves do not drink rarely raise any protest in young people's associations. It is just commonly accepted that the law should be violated and disregarded at pleasure.

The Commission must know that there is at least one club in Winnipeg which serves liquor without any permit or license and that the Press Club, which consists of respectable citizens is one.

At a large number of other clubs in the Winnipeg area, liquor is not served by the glass but members bring their own liquor and the clubs provide tables, ice, soft drinks and glasses for the consumption of liquor which is taken quite openly. Some of these clubs are the Manitoba Club, the Carleton Club, the Motor Country Club, the St. Charles Country Club, the Glendale Country Club, the Granite Curling Club, and the Niakwa Country Club.

These clubs are not cited by name out of any desire to attack them, but we feel we must bring to the attention of the Commission the fact that the law is daily flouted and disregarded in an open manner at these clubs, which are attended by a representative cross-section of Manitoba's most prominent citizens who evidently accept calmly a wholesale disregard for certain aspects of the law.

The Commission should also be aware, it is submitted, of the inequality which exists in the law because restrictions imposed on the consumption of liquor do not apply equally to all persons in the Province. Persons who belong to messes or canteens of the army, navy or air force are able to get liquor for themselves and their friends at any time, including Sunday, without restriction, while citizens who do not belong to such organizations are unable legally to drink liquor except in their homes or at banquets where a permit has been given. It is very common at house parties and picnics for people to bring liquor or beer for consumption at a place other than that shown on the purchaser's permit.

It is also quite common for persons to use others' liquor permits in purchasing beer and liquor and to sign their friends' names to order papers, and it is common for one person to buy liquor on his own permit for another's use.

We feel that the facts here presented indicate that present Manitoba liquor legislation is, to a considerable extent, unenforceable, and it is our feeling that any corrective measures recommended by your Commission should not be in the directions of further restrictions on the sale and consumption of liquor.

But we respectfully submit that any recommendations which do not take into account the facts presented in this brief will be unrealistic and impractical, and that any changes proposed must take into account that there is a public demand for relaxation of the liquor laws.

Mr. Bracken: Then the burden of your presentation is the lack of law observance, and lack of law enforcement? Insofar as you have made constructive suggestions, you say there should be no further restrictive measures added to the present restrictions; and the implication of that is, if changes should be recommended that they should be in the direction of some so-called liberalization of the existing law and its administration. But you have kept away from making any specific suggestions as to what we should recommend. That is as I size up your submission.

A: Yes, Mr. Chairman.

## 5. Other Provinces

- (1) There are no provinces in Canada where the enforcement of liquor laws is the basic or primary responsibility of any of the Provincial Liquor Control Boards.
- (2) In six of the provinces the primary responsibility for enforcement is placed in the hands of the police, and in the other four provinces the responsibility is shared by all enforcement officers, including various police branches and Liquor Board Inspectors.
- (3) All of the Provincial Liquor Control Boards have a number of Inspectors. Their duties include the laying of information regarding Liquor Act violations before the police. Their chief responsibility lies in the inspection and supervision of all of the legally licensed

outlets in their respective Provinces. They also have certain general responsibilities relating to the sale and consumption of alcoholic beverages as set out in their Liquor Acts and Regulations. They assist in the administration of the general policies of their respective Liquor Control Boards.

- (4) The enforcement responsibility in each Province may be briefly summed up as follows:

**NEWFOUNDLAND:** Enforcement of the Act is carried out by the Newfoundland Constabulary, The Royal Canadian Mounted Police and Inspectors appointed or authorized by the Board, to carry out provisions of the Act.

**PRINCE EDWARD ISLAND:** The Attorney-General's Department is charged with enforcement of the Act.

**NOVA SCOTIA:** Enforcement is in the hands of Inspectors appointed under the Act, provincial police constables and other officers.

**NEW BRUNSWICK:** Enforcement of the Act is in the hands of the Royal Canadian Mounted Police.

**QUEBEC:** The Attorney-General is charged with the duty of enforcing the Alcoholic Liquor Acts, and may authorize generally or specially any officer or inspector, whom he designates, to make searches, examinations and seizures in connection with alcoholic liquor in every case where such search, examination or seizure is authorized by law.

The Attorney-General must prosecute every offender under the Alcoholic Liquor Act whenever he is called upon to do so by a municipal corporation, if such corporation has assumed responsibility for the costs to be incurred.

In any municipality where a prohibitory law is in force, or whose municipal council has decided, in the manner set forth in the Act, that permits or certain kinds of permits shall not be granted, the Council of the municipality must prosecute every contravention of the Alcoholic Liquor Act, in which case the municipality shall be responsible for costs and shall receive the fines collected. Formerly in addition to their staff of Inspectors, the Quebec Liquor Board had their own "Liquor Police". This has been changed and a special force of 65 members who are part of the Provincial Police work directly under the Attorney-General's Department and are directly responsible for the enforcement of Liquor Laws in Quebec.

**ONTARIO:** In the Liquor License Act there is a provision stating that subject to approval of the Lieutenant-Governor-in-Council, the Liquor License Board may enter into an agreement with the council of any municipality for the enforcement of the Liquor License Act and Regulations and the Liquor Control Act and Regulations, and may in such agreement provide for payment to the Council.

The Liquor Board is not responsible for Liquor Law enforcement and this work is done by the Provincial or Municipal Police. Although the Ontario Police Act gives the Provincial Police jurisdiction over Municipal Police, it is understood that this is seldom used in Liquor Act offences except those which are offences against the Excise Act of Canada.

The Provincial Police have a special staff of four men who are primarily responsible for Liquor Act infractions and this Division works very closely with the Liquor Control Board and co-ordinate Liquor Law enforcement with other members of the Provincial Police throughout the Province.

In the City of Toronto, Liquor Law enforcement is handled specifically by the Police Morality Division, which is composed of three sergeants, twenty constables and three policewomen. They are charged with the special enforcement of all morality offences, including offences against the Liquor Acts.

All other members of Municipal Police in Toronto and the Municipal Police where located elsewhere in the province are charged with the responsibility of "diligently and effectively" enforcing within their respective municipalities the Liquor Acts and Regulations.

The Ontario Liquor Board pays to each municipality 20% of the liquor license fees that originate within its area. Also municipalities receive 60% of the fines arising from prosecutions under Liquor Acts originating therein.

**SASKATCHEWAN:** Enforcement is in the hands of inspectors, police officers, policemen, constables, and enforcement officers, and any other persons who may be appointed by the Board or other lawful authority for the purpose of enforcing the provisions of the Act.

In practice Liquor Act enforcement is the responsibility of the R.C.M.P. There is a special R.C.M.P. liquor squad of five or six constables.

There are six Liquor Board Inspectors but they are not considered as enforcement officers and they do not have the power to arrest.

The Liquor Act provides for access to beer parlors by the police, and comment has been made that local R.C.M.P. constables appearing at beer parlors shortly before closing has a good effect on the orderly and prompt clearing of these premises at the closing hour.

**ALBERTA:** The Attorney-General may appoint one or more Inspectors or prosecuting officers who, under his direction, shall perform such duties as he may require. Enforcement is in the hands of these Inspectors and officers, and of police officers and constables.

The R.C.M.P. are responsible for Liquor Law enforcement and have a special staff of twenty men who are primarily responsible. The Liquor Board had their own enforcement staff from the inception in 1924 until 1931, and have expressed themselves as being highly satisfied with the Liquor Act enforcement in the hands of the R.C.M.P.

**BRITISH COLUMBIA:** The Lieutenant-Governor-in-Council may appoint one or more Inspectors or prosecuting officers, who are responsible for enforcement of the Act.

In practice the responsibility for enforcement lies with the Police. Police in uniform are not permitted to enter licensed premises unless they are called. The Liquor Control Board have eight Inspectors whose duties involve only the inspection of licensed premises and the enforcement responsibility is left with the Police.

- (5) We find that other provinces have in general found the same difficulties in the way of non-observance, infractions, and non-enforcement as have been indicated for Manitoba in earlier paragraphs.
- (6) Many people in all provinces report that certain aspects of the Liquor Legislation are not now being adequately enforced. There has been a strong demand expressed in many quarters and in some legislatures for stricter enforcement.
- (7) An opinion frequently expressed both outside and within Manitoba was that some aspects of Liquor Legislation have failed to carry the support of public opinion; that, because of its controversial nature, even legislators hesitate to tackle the job of revising liquor laws, and that even governments fearing the consequences of public opinion have been hesitant both in the revision of the law and in its vigorous enforcement.

- (8) We find that all law enforcement officers are faced with similar problems throughout the ten provinces. These problems differ vastly in degree in different places. But we found no province which considers it achieves 100% perfection in law enforcement.
- (9) Each of the provinces has problems in connection with illicit stills. The Bureau of Statistics reports that in the years 1942-1953 the seizure of illicit stills by provinces were as follows:

#### STILLS SEIZED DURING FISCAL YEARS 1942-1953

|                        | 1942-43 | 1943-44 | 1944-45 | 1945-46 | 1946-47 | 1947-48 | 1948-49 | 1949-50 | 1950-51 | 1951-52 | 1952-53 |
|------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Newfoundland .....     | 26      | 19      | 35      | 27      | 42      | 32      | 41      | 31      | 21      | 26      | 14      |
| Prince Edward Is. ...  | 33      | 20      | 38      | 71      | 25      | 27      | 36      | 50      | 34      | 31      | 27      |
| Nova Scotia .....      | 7       | 1       | 2       | 2       | 2       | ...     | 2       | 5       | 4       | ...     | 3       |
| New Brunswick .....    | 33      | 61      | 137     | 153     | 50      | 60      | 54      | 98      | 40      | 30      | 30      |
| Quebec .....           | 23      | 35      | 56      | 48      | 15      | 7       | 16      | 21      | 20      | 23      | 13      |
| Ontario .....          | 40      | 58      | 35      | 18      | 29      | 29      | 40      | 48      | 45      | 45      | 53      |
| Manitoba .....         | 25      | 46      | 39      | 21      | 16      | 22      | 30      | 35      | 34      | 33      | 25      |
| Saskatchewan .....     | 15      | 28      | 12      | 11      | 6       | 12      | 18      | 26      | 12      | 9       | 14      |
| Alberta .....          | 6       | 30      | 26      | 11      | 3       | 5       | 3       | 8       | 7       | 3       | 2       |
| British Columbia ..... | ...     | 2       | 6       | ...     | ...     | ...     | ...     | ...     | ...     | ...     | 1       |
| Yukon .....            | ...     | ...     | ...     | ...     | ...     | ...     | ...     | ...     | ...     | ...     | ...     |
| N. W. Territory .....  | ...     | ...     | ...     | ...     | ...     | ...     | ...     | ...     | ...     | ...     | ...     |
| Total                  | 208     | 300     | 386     | 372     | 188     | 194     | 240     | 323     | 220     | 208     | 186     |

Source: Department of National Revenue, Ottawa.

- (10) Liquor Administrators in the United States have voiced the opinion that increases in taxation on distilled spirits can reach a point that gives encouragement to illegal distillers.

In Canada changes in Dominion taxes and duties on distilled spirits have been as follows:

|       | Customs—Imports<br>per gallon | Excise—Domestic<br>per gallon | Sales Tax<br>per gallon |
|-------|-------------------------------|-------------------------------|-------------------------|
| 1928  | \$10.00                       | \$ 9.00                       | 3%                      |
| 1929  | .....                         | .....                         | 2%                      |
| 1930  | .....                         | .....                         | 1%                      |
| 1931  | .....                         | .....                         | 4%                      |
| 1932  | 8.00                          | 7.00                          | 6%                      |
| 1935  | 5.00                          | 4.00                          | .....                   |
| 1936  | .....                         | .....                         | 8%                      |
| 1939  | 8.00                          | 7.00                          | .....                   |
| 1942  | 10.00                         | 9.00                          | .....                   |
| 1943* | 12.00                         | 11.00                         | .....                   |
| 1948  | 11.50                         | .....                         | .....                   |
| 1950  | 12.50                         | 12.00                         | .....                   |
| 1951  | .....                         | .....                         | 10%                     |

\* Change in 1943 from 15 U.P. to actual proof gallon.

Based on data obtained from the Manitoba Government Liquor Control Commission.

By comparison, the U.S.A. Federal Excise Tax rates on distilled spirits and beer since repeal of prohibition in 1933 have been as follows:

| Year | Distilled Spirits<br>Per Proof Gallon | Beer<br>Per Barrel |
|------|---------------------------------------|--------------------|
| 1933 | \$ 1.10                               | \$ 6.00            |
| 1934 | 2.00                                  | 5.00               |
| 1935 | 2.00                                  | 5.00               |
| 1936 | 2.00                                  | 5.00               |
| 1937 | 2.00                                  | 5.00               |
| 1938 | 2.25                                  | 5.00               |
| 1939 | 2.25                                  | 5.00               |
| 1940 | 3.00                                  | 6.00               |
| 1941 | 4.00                                  | 6.00               |
| 1942 | 6.00                                  | 7.00               |
| 1943 | 6.00                                  | 7.00               |
| 1944 | 9.00                                  | 8.00               |
| 1945 | 9.00                                  | 8.00               |
| 1946 | 9.00                                  | 8.00               |
| 1947 | 9.00                                  | 8.00               |
| 1948 | 9.00                                  | 8.00               |
| 1949 | 9.00                                  | 8.00               |
| 1950 | 9.00                                  | 8.00               |
| 1951 | 10.50                                 | 9.00               |
| 1952 | 10.50                                 | 9.00               |
| 1953 | 10.50                                 | 9.00               |

Source: Joint Committee of the States to  
Study Alcoholic Beverage Laws.

(11) In Canada the convictions specified for illicit stills, driving while drunk, drunkenness, and violations of the Liquor and Temperance Acts, for the years 1937 to 1953 have been as follows:

| Year ended<br>Sept. 30 | Illicit<br>Stills | Driving<br>While Drunk | Drunkenness | Violations of<br>Liquor and<br>Temperance Acts |
|------------------------|-------------------|------------------------|-------------|------------------------------------------------|
| 1937                   | 460               | 1,439                  | 34,606      | 11,142                                         |
| 1938                   | 440               | 1,877                  | 36,894      | 12,442                                         |
| 1939                   | 324               | 1,736                  | 36,007      | 13,513                                         |
| 1940                   | 444               | 1,794                  | 37,826      | 12,946                                         |
| 1941                   | 325               | 1,984                  | 40,002      | 15,369                                         |
| 1942                   | 183               | 1,720                  | 44,801      | 16,898                                         |
| 1943                   | 116               | 1,266                  | 42,292      | 15,099                                         |
| 1944                   | 172               | 1,155                  | 41,521      | 17,093                                         |
| 1945                   | 278               | 1,269                  | 46,745      | 22,237                                         |
| 1946                   | 172               | 1,898                  | 64,076      | 33,362                                         |
| 1947                   | 85                | 1,825                  | 70,868      | 28,486                                         |
| 1948                   | 82                | 1,481                  | 70,542      | 27,744                                         |
| 1949                   | 49                | 1,379                  | 75,931      | 28,259                                         |
| 1950                   | 13                | 1,599                  | 75,935      | 31,738                                         |
| Year ended December 31 |                   |                        |             |                                                |
| 1951                   | 23                | 1,967                  | 83,898      | 28,405                                         |
| 1952                   | 17                | 1,518                  | 85,682      | 33,335                                         |
| 1953                   | 2                 | 1,093                  | 91,182      | 34,972                                         |

Source: Health & Welfare Division,  
Judicial Section,  
Dominion Bureau of Statistics.



- (12) The number of convictions per capita in all provinces, including driving while impaired, and driving while drunk have been as follows:

| <b>Convictions for Driving Offences in Canadian Provinces — 1952 (per 100,000 of Population)</b> |              |               |             |             |             |             |             |              |              |             |
|--------------------------------------------------------------------------------------------------|--------------|---------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|-------------|
| <b>Offence</b>                                                                                   | <b>Nfld.</b> | <b>P.E.I.</b> | <b>N.S.</b> | <b>N.B.</b> | <b>Que.</b> | <b>Ont.</b> | <b>Man.</b> | <b>Sask.</b> | <b>Alta.</b> | <b>B.C.</b> |
| Driving while intoxicated                                                                        | 33           | ....          | 23          | 24          | 4           | 31          | 26          | 2            | 6            | 1           |
| Driving while ability impaired                                                                   | 38           | 15            | 61          | 91          | 32          | 97          | 68          | 57           | 84           | 117         |
| Total driving offences involving alcohol                                                         | 71           | 15            | 84          | 115         | 36          | 128         | 94          | 59           | 90           | 118         |

Based on data obtained from the Dominion Bureau of Statistics.

- (13) Convictions for intoxication under the Indian Act, by provinces has been as follows:

| <b>Intoxication under the Indian Act in Canada 1952</b> |              |               |             |             |             |             |             |              |              |             |
|---------------------------------------------------------|--------------|---------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|-------------|
|                                                         | <b>Nfld.</b> | <b>P.E.I.</b> | <b>N.S.</b> | <b>N.B.</b> | <b>Que.</b> | <b>Ont.</b> | <b>Man.</b> | <b>Sask.</b> | <b>Alta.</b> | <b>B.C.</b> |
| Provincial Indian Population                            | 358          | 257           | 2717        | 2255        | 14631       | 37370       | 21024       | 22250        | 21163        | 28478       |
| Convictions for intoxication under the Indian Act       | .....        | 304           | 247         | 88          | 168         | 663         | 228         | 374          | 777          | 3091        |

Source: D.B.S. Statistics of Criminal and Other Offences—1952.

## 6. Liquor Law Enforcement in the U.S.A.

- (1) The Joint Committee of the States to study Alcoholic Beverage Laws, sponsored by the Liquor Administrators of all States, in their 1953 report entitled "Impact on Alcoholic Beverage Control of Taxation and Mark-up", deals with problems of liquor law enforcement as follows:

**"The Control of Illicit Production and Bootlegging.** From the early days of the Republic, this has been a problem for the Federal Government. There always has been a certain amount of illicit distilling. In those sections of the United States which historically have opposed internal revenue taxes on spirits, it has always been virtually impossible to wipe out illicit distilling. With Repeal of Prohibition, the Federal Government not only faced the problem of destroying a gigantic national distributing trade in illicit alcoholic beverages, but also of locating and putting out of business illegal stills.

We have already cited in this report the views of many important groups that the internal revenue taxes imposed by the Federal Government under Repeal of Prohibition should be moderate in their character, so as to enable the destruction of the illicit business. Joseph H. Choate, Jr., Director of the Federal Alcohol Administration, urged the reduction of all revenues on liquor in these words,

"We could well afford a present reduction in revenue in order to destroy our greatest source of lawlessness. To cheapen the legal supply, taxes, tariffs and license charges ought all to be reduced."

There can be no doubt that the control of illicit production and illicit sales increases or declines in importance in direct relationship to increases or decreases in the internal revenue taxes on distilled spirits. Decided headway was made by the Federal Government, with the cooperation of the individual states, in reducing illicit production of distilled spirits in the early years of Repeal. Great progress was attained by the Federal Government in destroying the illicit distribution, or bootlegging, of distilled spirits in virtually all of the important population centers of our country. The problem of suppression of illicit distillation in eleven southern states remained unsolved.

The illicit distilling industry in the United States under Repeal of Prohibition actually went through three phases — the first phase was immediately after Repeal of Prohibition when, beginning with January 12, 1934, the tax on distilled spirits was set at \$2.00 per proof gallon. This was a relatively low tax, although somewhat higher than had been advocated by some groups who felt that the Federal tax should have been maintained at \$1.10 per proof gallon. Repeal also came during a period of great depression and large unemployment in the United States. This condition tended to offset to some extent the relatively low Federal tax, since so many millions of workers were without jobs and had no money to spend for legal liquor. The decline in the number of stills seized, and especially of the gallons of mash seized, was relatively steady through 1942, when we entered the second phase — the war period.

During the war period, with a tax at first of \$6.00 per proof gallon, effective November 1, 1942, and then of \$9.00 per proof gallon, effective April 1, 1944, the number of stills and mash seized were at the lowest point after Repeal of Prohibition. Although the high tax would appear as the expected inducement to the illicit distiller, nevertheless, the fears of many groups, including state officials, that there would come a resurgence of illicit distilling were baseless. The reasons for this were that it was virtually impossible to buy copper, which was needed to make a still; sugar was rationed and carefully controlled; in addition, every person in the United States of working age, who desired work could obtain it at the highest wages known in the history of our country. There was no incentive to buy illegal liquor because of lack of earning power of the general public. It was the period when an important problem to millions of workers was to find some way of spending money except for the virtual necessities of life which were sharply rationed. Automobiles could not be obtained. Travel was highly limited. Many articles were not produced for consumers. The common everyday nylon hose could not be purchased. Legal liquor was available, whereas illicit liquor was relatively scarce, not only because of the difficulties of obtaining copper and sugar, but also because of the rationing of gasoline and the converting of the automobile industry over to total war production.

The third phase came when the controls were taken off and copper and sugar, gasoline, and automobiles could all be obtained. It is noticeable that beginning with 1948, under the \$9.00 tax, and thereafter, there has been an increase in the number of stills and the gallons of mash seized by the Federal Government. Many illicit stills seized in recent years in the northeastern section of the country have been comparable in capacity to those used by licensed distillers. It must be remembered that the control function with respect to illicit operators and production is also a function of state control and will be discussed further in this report.

**The Protection of the State's Revenue.** States cooperate with the Federal officials in locating, seizing, and destroying illicit stills. State ABC authorities also have a problem of preventing the refilling of legal bottles with illegal spirits. The state problems with respect to "the protection of the revenue" have become more acute because of the high Federal excise tax on spirits. Although it is justly claimed that the principal monetary effect of existing illegal distilling and bootlegging concerns Federal revenue, state budgets are also adversely affected by a corresponding loss of revenue and an increase in expenditures caused by the necessity of allocating additional funds to suppress illegal distilling and selling. The high Federal tax on spirits invites moonshining and bootlegging and the expenditure of state funds for the control of these illegal activities has increased since the end of the war as a consequence of the heavy Federal imposts on distilled spirits of all kinds and types.

**Effect of High Excise Taxes on Law Enforcement.** As we have already mentioned, high Federal excise taxes, especially on distilled spirits are an incentive not only for the continuation of illegal distilling and distribution in the United States, but may be regarded as a form of subsidy which permits the operation on an important scale of the illegal distilling trade. There is room for important differences of opinion as to the extent and ramifications of the illicit industry. It is idle to attempt to estimate the possible losses in revenue of the Federal Government because of the practical subsidy under which illicit distillers operate. No figures are available which enable a determination of any accuracy. There are other figures which must be considered in determining the extent of the illegal trade.

If the United States should enter into a period of business depression, as was true at the time of Repeal of Prohibition, it is our view that an increase in unemployment would be a great incentive to many consumers to purchase illegal spirits, because financially they could not afford to purchase legal spirits.

Our view, which is based on our experience as ABC administrators, is that high Federal excise taxes, especially on spirits, breed crime. Local social problems as such are of no official interest to Federal officials. The attention of the Federal Government has been focused on obtaining a maximum revenue from the alcoholic beverage industry, and there would appear to be total disregard of the numerous social problems created for the states by the adoption of excessively high internal revenue rates on spirits. The Federal Government's problem of protecting the revenue by destroying illicit operations will never be solved as long as the Federal Government is in fact actually subsidizing the illegal industry. Yet, as long as the Federal Government through existing internal revenue taxes collects large revenues, some will claim that the illegal industry is either virtually non-existent or unimportant.

The responsibility for the adoption and functioning of liquor control programs belongs to the individual states. It is indispensable for the success of ABC authorities that they have the support and understanding of a well informed public. Public opinion must be kept on the side of law observance. It is dangerous to rely blindly on the continued support of public opinion, unless control programs make alcoholic beverages reasonably available for the temperate use of consumers and at prices

they are able and willing to pay. Taxes which are so excessive as to cause public resentment create a condition tolerant of the illicit distiller and the illicit distributor. It is interesting that as long ago as October 22, 1933, in the New York Times, the late Mrs. John S. Sheppard, Commissioner of the New York State Liquor Authority for many years, expressed her conviction that, "The bootlegger and speakeasy will not be driven out of their trade by any system of control that leaves them a chance at lucrative returns. The problem of eliminating them is closely related, therefore, to the question of taxation of alcoholic beverages."

Our views as to the relationship between taxation and control were summarized adequately in the following quotation from our report on "Alcoholic Beverage Control."

"The collection of revenue from the alcoholic beverage business must be considered and treated as a subordinate interest of government and the control by the state of the alcoholic beverage business to prevent socially undesirable conditions must always prevail over revenue considerations. Increases in the amount of taxes levied on alcoholic beverages are inconsistent with control objectives if they tend to increase the illegal participation in the manufacture, distribution and sale thereof."

Every authority on liquor control believes that excessive taxation adversely affects control, and that unless such taxes are adjusted reasonably they will undermine control and defeat its purposes.

This will arise because of the encouragement and support the illicit industry obtains through the important differential in cost between the legitimately produced tax-paid beverage, and the illegitimately produced non-tax-paid product. A by-product of such policy is disrespect for law and disdain for government. The policy of fostering control by restricting participation in the liquor business to honest, honorable and respected business people is weakened by a tax collecting policy which labels them and their customers as tax victims being punished by a form of discriminatory taxation.

The efforts of the states to regulate the alcoholic beverage business may be completely hamstrung by the Congress of the United States by the imposition of excise taxes which divert consumers from legitimate to illegitimate alcoholic beverages. The states on their part have the constitutional power to nullify the efforts of the Federal Government to raise revenue in the way of excise taxes on the alcoholic beverage business by suppressing entirely, the manufacture, distribution, and sale of alcoholic beverages.

Laws can divert consumer demand from alcoholic beverages legally produced and tax-paid to those made without legal sanction and without payment of any tax, but laws cannot eliminate the demand, nor can they prevent its satisfaction so long as the necessary ingredients for the production of illicit spirits are in good supply. If the demand is diverted from lawful to unlawful channels, we set the stage for the return of those conditions which characterized national prohibition and which spelled out official corruption, widespread crime, human tragedies, and national shame. We are dealing with a social problem of explosive potential, the present handling of which can affect the national welfare for years to come.

Prohibition was not repealed to raise revenue. Its repeal was to restore respect for and obedience to law and to promote temperance. The Twenty-first Amendment has already been partially nullified by the tax policy adopted by the Federal Government with respect to distilled spirits. This is not a problem of determining diminishing returns as to revenue because of excessive Federal taxes, but rather of determining diminishing returns as to liquor control which excessive Federal taxes indicate is under way. In our system of government, there is a division of powers and functions among Federal, state, and local governments, which our people intend and expect to serve best their common interests. The present out of balance brought about by excessive Federal excise taxes must be corrected if state control functions are to be restored to the dominating position the Twenty-first Amendment intended to return to the individual states."

- (2) In their report, "Alcoholic Beverage Control", the Joint Committee of the States to Study Alcoholic Beverage Laws refers to problems of law enforcement as follows:

**"History of Liquor Control.**<sup>1</sup> For centuries peoples of many countries have sought to prevent or to eliminate the hazards that are privy to the unregulated manufacture, sale and distribution of alcoholic beverages.

\* \* \* \*

**Need for Stringent Control.** They know that the liquor business is "sui generis" and that it must be considered and treated differently than every other business. The principle is well established that certain anti-social conditions will inevitably flow from the operation of this business if uncontrolled by government, and that the lowest elements of society will attach themselves to it as parasites unless prevented from so doing by vigilant and resolute action by government.

**Enforcement.**<sup>2</sup> A clear and specific definition of the assignments of authority and responsibility among agencies and individuals concerned is essential to any undertaking . . . Enforcement of ABC laws is a two-fold operation following separate and distinct channels. In the first place, ABC laws are penal in character in that violations of their provisions are defined either as felonies or misdemeanors, prosecutions for which must follow the usual forms and channels adopted by the respective states for the prosecution of all crime. This type of enforcement utilizes the services of peace officers, juries, prosecutors, criminal courts and penal institutions.

The other phase of enforcement is **administrative** in character and utilizes the services of persons who are not ABC personnel only as witnesses. Through this channel disciplinary actions are taken against licensees and permittees. However, regardless of the specific approach of any state toward the fixing of the respective responsibilities of the regularly established law enforcement agencies and the personnel of the control agencies, it is apparent that both criminal enforcement and administrative enforcement are dependent in large measures upon the active, intelligent and prompt performance of duty by local law enforcement officers. Most states seek to obtain good enforcement through the fullest use of both methods.

**Location of Responsibility for Prosecuting Violators.**<sup>3</sup> The ABC laws of twenty-two states have no specific provisions as to the location of

. pp. 4-5. 2. p. 41. 3. pp. 43-44.

responsibility for the prosecution of ABC violators, although in these states such responsibility insofar as it relates to criminal prosecution, inferentially rests upon public prosecutors and to the extent that it is administrative in character is probably the responsibility of the ABC agency.

Fourteen state ABC laws make both state and local officers responsible for instituting prosecution and in seven states officers of the liquor control agency or other state officers are responsible for ABC law prosecutions. Finally, in three states, the responsibility is vested in local officers, usually district or local prosecuting attorneys.

\* \* \* \*

**Location of Responsibility for Disciplinary Action.** In twenty-seven states the authority to suspend or revoke licenses is vested solely in the respective state ABC authorities or other state officials. In two of these states (Michigan and Nevada) the state authorities revoke upon the request or recommendation of local authorities. Revocation authority is vested in both state and local authorities in seventeen states.

In Iowa only local authorities are given responsibility for license revocations and in Kansas the State Director of Alcoholic Beverage Control is responsible for liquor license suspensions and revocations while the respective local licensing authorities are responsible for suspensions and revocations of non-intoxicating malt beverage licenses.

**The Role of Local Law Enforcement Authorities.** Virtually all state ABC laws vest at least some enforcement responsibility in the various peace officers of cities, towns and counties. Because local enforcement personnel generally play such an important role, it is important that they be well trained properly directed and schooled in all phases of ABC enforcement. Upon them and their work prosecuting attorneys and ABC agencies depend largely for criminal and administrative enforcement.

\* \* \* \*

**Police Powers of State ABC Enforcement Officers.**<sup>1</sup> Adequate enforcement, in the opinion of some ABC agencies, requires the delegation of normal police powers to ABC enforcement officers and agents and where such delegation is not provided for by law, some feel that ABC enforcement personnel are severely handicapped in carrying out their duties.

Other ABC agencies feel that there are sufficient peace officers duly constituted and paid as such to handle all phases of the enforcement program to the extent that the powers of arrest, search and seizure are involved. Twenty-five of the states have conferred upon their personnel the power of arrest.

Most states, either by law or by rule, have provided that, as a condition of the license, ABC agents have the right of inspection of the licensed premises at any time or at least at such times as the premises are open for business. The ABC laws of five states (Florida, Indiana, Maryland, South Dakota and Utah) specifically require that the right of entry, search and seizure on licensed premises shall be consented to by applicants as a condition of the license.

**Federal-State Cooperation.**<sup>2</sup> The maintenance of close and cooperative relationships between state and federal authorities can do much to facilitate ABC enforcement at the state level.

1. p. 46. 2. p. 49.

**Industry's Place in Enforcement.**<sup>1</sup> The licensee who knows and respects his business supervises its operations with a firm hand. He makes logical plans and takes prudent precautions to prevent violations on his licensed premises. He anticipates infringement on good order, forestalls trouble, and takes summary action should misconduct or disorder develop. He must be understanding, alert, active and forceful. In short, he must be at once a good business man, a good psychologist, and a good policeman. The importance of the enforcement role of the industry, particularly as to premises licensed to sell alcoholic beverages by the drink can neither be over-estimated nor over-emphasized.

**Principles to be Used as Guideposts to Standardized Control.**<sup>2</sup> To be effective as to acts that are "mala prohibita" (prohibited by law but not evil in fact), penal statutes including ABC laws must have the approval of the people and must be in substantial conformity with public thinking.

\* \* \* \*

Control of the operations of the alcoholic beverage business aims primarily at the prevention of certain socially undesirable conditions, which history and experience have demonstrated, will develop in the absence of such control.

\* \* \* \*

Despite the fact that an increased volume of business by this industry would produce greater revenue for the state, such increase is undesirable if incompatible with control objectives. Similarly, increases in the amount of taxes levied on alcoholic beverages are inconsistent with control objectives if they tend to increase the illegal participation in the manufacture, transportation, distribution and sale thereof.

\* \* \* \*

Responsibility for performance of the two principal functions of control, namely, licensing and administrative enforcement, should be vested in the same agency of government.

\* \* \* \*

The enforcement of the criminal provisions of ABC laws should be the responsibility of all law enforcement officers.

\* \* \* \*

The ABC statute should fix the respective responsibility of the various agencies of government relating to the enforcement of the ABC law.

\* \* \* \*

The basic provisions and procedures of control should be established by published law or rule, but the ABC agency should have broad discretionary powers to formulate administrative policy, to issue or deny licenses and penalize violators, limited only by the requirement that its action be neither arbitrary or capricious.

\* \* \* \*

The public interest requires strict compliance with rigid standards of alcoholic beverage control by a respectable and law-abiding industry, under a sound law administered by an able and upright ABC agency, supported by an informed and understanding public opinion."

- (3) Mr. John F. O'Connel, Chairman of the New York State Liquor Authority, in an address to Police Chiefs in New York, said, "persons experienced in enforcement work know only too well, that a divided command and dual responsibility for enforcement leave something to be desired."

1. p. 52. 2. pp. 54-65, passim.

- (4) During his meeting with this Commission, Mr. Dudley C. Erickson, Minnesota Liquor Control Commissioner, made the following statement:

"Laws passed by the Legislature to effect wholesome purposes should be effectively enforced as an expression of the will of the people until such time as they may be modified or repealed."

- (5) When this Commission saw the past President of the National Alcoholic Beverage Control Association, John W. Hardy, in Chicago, he said, "No law concerning alcoholic beverages in my opinion is of any value unless public sentiment is behind it." He clarified this statement further by saying that "The law must be in conformity with public opinion; otherwise it is unenforceable, and results in disrespect for law."

- (6) With respect to illicit stills in the United States, for the year 1951, we find:

1. The number of stills seized was 20,402 — 10,177 by federal authorities and 10,275 by State and local authorities.
2. The range in number seized was from none in each of thirteen states to 4,049 in Alabama.
3. In 7 States the number seized exceeded 1,000, these 7 in order of numbers seized being Alabama, Georgia, North Carolina, South Carolina, Virginia, and Florida.
4. The total aggregate daily capacity of the stills seized was 715,438 gallons (American gallons).
5. The daily capacity of stills seized ranged from 2 gallons in Colorado, 3 in Arizona, 4 in Wisconsin, to 166,000 in North Carolina, 119,061 in Alabama, 118,342 in South Carolina, and 118,268 in Georgia.

(Prepared by Licensed Beverage Industries Inc. from Data of the Federal Alcohol and Tobacco Tax Division and reports of State authorities, and data submitted by County Sheriff.)

- (7) The estimate of revenue lost to the United States Treasury from illicit manufacture of Distilled Spirits is said to range from \$46,-000,000 in 1940 to \$151,000,000 in 1954. The excise Tax rates were higher in the latter years.

Source: Corrado's Handbook, 1954.



## 7. Views of Authorities

- (1) That enforcement of the law will result from the passage of sound laws and a general acceptance of the philosophy underlying them is a commonly held view. Such a philosophy for liquor legislation has been cogently set forth by United States Supreme Court Justice Louis D. Brandeis quoted in National Conference of State Liquor Administrators, May 1953, p. 6:

"Liquor drinking is not a wrong; but excessive drinking is. Liquor will be sold; hence the sale should be licensed. Liquor is dangerous; hence the business should be regulated. No regulation can be enforced which is not reasonable. The better the men who sell the liquor; the less the harm done by it. Hence, strive to secure for the business those who are respectable. Self-respect and prosperity are the most effective guardians of morals. Unenforceable or harassing laws tend to make criminals."

- (2) About the enforceability of law, the Wickersham Report (p. 49) has this to remark:

"It is axiomatic that under any system of reasonably free government a law will be observed and may be enforced only where and to the extent that it reflects or is an expression of the general opinion of the normally law-abiding elements of the community. To the extent that this is the case, the law will be observed by the great body of the people and may reasonably be enforced as to the remainder."

It should be noted that reference is made to "the normally law-abiding elements of the community." It must be recognized, of course, that it would be impossible as well as irresponsible to endeavor to please all people by laws on so controversial a matter as liquor. At the same time to ignore the thinking of the better element of the population, especially as it applies to the stringency of the law, is to court failure.

- (3) On bootlegging, the Wickersham Report (pp 30-31) had this to say: "The improved methods, the perfection of organization, the cheapness and easy accessibility of materials, the abundance of localities where such plants can be operated with a minimum risk of discovery, the ease with which they may be concealed, and the **huge profits involved**, have enabled this business to become established to an extent which makes it difficult to put to an end."

While it is well known that Manitoba bootleg production does not approach that in the Prohibition areas of the United States, it is still well to recognize that the factors listed above as making for bootleg success exist in Manitoba also and the control of the problem here will need to have regard to each of these factors.

- (4) On the other hand, control of illegal sale can never be entirely successful if society sheds its responsibility and leaves the matter wholly in the hands of the police. John Dollard has pointed out (*Alcohol, Science, and Society*, p. 95):

"If the control of the drinking of alcoholic beverages or any similar drug, or the control of any dangerous impulse were dependent upon police and formal means of coercion, our society would be an anarchy. About this we feel fairly sure. If we are going to study the problems of alcohol we must examine the **informal** ways by which drinking behavior is defined and controlled in our society."

A conscious effort among responsible citizens to make moonshine liquor socially unacceptable, and the patronage of the bootlegger a tabooed custom can do a great deal to end widespread violation of this feature of the law.

- (5) Dr. E. M. Jellinek pointed out to us the vital role played by the alcoholic in law violation, and the strategic nexus between rehabilitation of alcoholics and the enforcement of the law:

"No program of legislation can hope to curb drinking successfully unless at the same time a broad effort is made to reduce the number of alcoholics through rehabilitation. This is true because the alcoholic is the market for the illegal vendor of alcohol. The moderate drinker does not need the bootlegger; the alcoholic has to have his liquor. When illegal outlets are established for the alcoholic, however, the moderate user also resorts to them. The elimination of these outlets, then, can take place only if the alcoholic is eliminated."

## RECOMMENDATIONS

### Terms of Reference Instruction 9 (3) (a)

1. That although the abolition of the permit system will somewhat lessen the effectiveness of interdiction, the process be continued as a deterrent to illegal or excessive drinking; and that the process of interdiction be applicable to all chronic and excessive drinkers whether their estate, health, and family life be affected or not.
2. That the inspectorial staff of the G.L.C. Commission make effective inspection of all premises to which occasional permits are granted but most particularly of premises in which commercialism or drinking by minors may be suspected.
3. That, with the abolition of the general permit system, the present "residence" requirement be abolished and in substitution therefor it be provided that liquor purchased for off-premise consumption may be had, kept, and consumed in any bona fide residence. The term "residence" should be defined generally as in the present Act and expanded to include the lands appurtenant to any dwelling which are essential or appropriate for the convenient use, occupation and enjoyment thereof as a private dwelling.

4. That it be made lawful to transport or carry liquor in a motor vehicle in the following manner:
  - (1) If the Government seal is intact, on the package, the liquor may be carried in any part of the vehicle; and
  - (2) If the Government seal is not intact on the package, the liquor may be carried only in the personal luggage of any of the occupants of the vehicle or in any locked compartment in the said vehicle.

Pursuant to this recommendation, it will be necessary to repeal S.92 of the Highway Traffic Act, Chapter 112, Revised Statutes of Manitoba 1954.

5. That the prohibition and penalty sections of the present Act be reviewed by the Attorney-General's Department and revised where necessary to achieve consistency with all changes embodied in the new legislation. Particular attention should be directed to the penalties provided for illegal sale (bootlegging) to ascertain whether, if adequately enforced, they would achieve effective control. Duplicate prohibitory sections should be avoided and penalties provided for the same or similar offences should be made uniform.
6. That the principle of immediate payment of fines be continued except that a convicting magistrate be permitted, at his discretion, to modify this rule to allow time for payment of fines in cases where immediate payment would work undue hardship.
7. That since the undue harshness and rigidity of Section 110 of the present Act causes the G.L.C. Commission and enforcement officers to hesitate to prefer charges against licensees for minor infractions, said section be repealed and the G.L.C. Commission be given the discretionary power to suspend or cancel licenses following convictions against licensees.
8. That Section 309 which makes it compellable that a man arrested for intoxication state upon oath the source from which he obtained the liquor causing intoxication, be repealed, in concurrence with the recommendation of the Select Special Committee of the Legislation.
9. That while no evidence of abuse was presented to this Commission, the G.L.C. Commission investigate the sale of intoxicating mixtures such as pharmaceutical tonics, flavoring extracts, shaving lotions, etc. through retail outlets to determine whether these mixtures are being sold and used as alcoholic beverages within the meaning of the Act. If the investigation reveals that any of these mixtures are being sold as alcoholic beverages, such mixtures should then be declared "liquor" within the meaning of any new legislation and proper controls placed over their sale.

10. That it be made lawful for any adult person in Manitoba to have, keep and consume in the Province the one quart and no more of American liquor which a Canadian visitor returning from the United States is allowed by the Customs Act to bring into Canada.
11. That all law enforcement agencies cause periodic and thorough inspections to be made of any unlicensed premises where it is suspected that the illegal consumption of liquor is taking place.
12. That a penalty be provided for the illegal possession or consumption of liquor by minors.
13. That the Government insist upon the strict enforcement of all provisions of an Act which can be respected and observed by all reasonable citizens. For the purpose of enforcement, the Commission shall have at all times a capable and adequate staff of well paid, carefully selected and trained inspectors who are committed to the full enforcement of the law. This staff must receive the complete co-operation of all police and enforcement bodies. The co-ordination of the activities of the Commission's inspectorial staff with those of other enforcement bodies should be such as to insure the strictest enforcement of the law in all municipalities. If laxity appears in the attitude of municipal police or Royal Canadian Mounted Police toward liquor infractions in areas under their jurisdiction, the Commission must direct its own inspectorial staff to see that the law be uniformly enforced.

APPENDIX  
SUMMARY OF THE MAIN PROHIBITIONS CONTAINED  
IN THE GOVERNMENT LIQUOR CONTROL ACT, 1928

| Section | Offence                                                                                                                                                                                                          | Penalty Section | Penalty (1st Offence)                                                                                                                                                                                               | Comment                                                                                                    |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| 37      | Delivering liquor to, or having, keeping, selling or consuming liquor in a prohibited place.                                                                                                                     | 165(1)          | (a) Fine of \$200-\$1,000; in default 3 months; or<br>(b) Fine of \$100-\$300 plus imprisonment of 2 weeks to 2 months; in default 2 months. additional; or<br>(c) Imprisonment of 4 months without option of fine. | Common offences.                                                                                           |
| 42      | Knowingly making application for permit which he is disqualified from having or which the Commission is prohibited from issuing to him.                                                                          | 167(1)          | Fine of \$20-\$100; in default not more than 2 mos. Corporation — Fine of \$100-\$200<br>(This penalty will hereinafter be described as the General Penalty).                                                       | A common offence especially among minors                                                                   |
| 43(1)   | Did allow another person to use his permit.                                                                                                                                                                      | 167(1)          | General Penalty                                                                                                                                                                                                     | Uncommon offence                                                                                           |
| 48      | Did purchase more liquor than allowed under Section 48.                                                                                                                                                          | 167(1)          | General Penalty                                                                                                                                                                                                     | Uncommon offence                                                                                           |
| 49(3)   | Being a permittee whose permit shows his residence to be in a Hotel, did purchase (or attempt to purchase) more liquor than 2 gallons (one case) of beer, one gallon of wine, and 55 ounces of any other liquor. | 167(1)          | General Penalty                                                                                                                                                                                                     | Very uncommon offence                                                                                      |
| 54      | Did open or break or allow to be opened or broken any package or vessel containing liquor; or did drink or use or allow to be drunken or used any liquor therefrom.                                              | 165(1)          | See above — Corporations — Fine of \$1,000-\$3,000.                                                                                                                                                                 | Seldom used although offence is common. Charge laid under 58(1) usually or under S.78 Highway Traffic Act. |

| Section            | Offence                                                                                                                                                                                                                                                                                                                       | Penalty Section | Penalty (1st Offence)                                                                                             | Comment                                                                       |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| 55(2)              | Did keep or open a package of liquor elsewhere than in the premises designated in his permit.                                                                                                                                                                                                                                 | 165(1)          | Supra                                                                                                             | Seldom used. Most common of all offences. Charge usually laid under S.58(1).  |
| 58(1)              | Did have liquor in a place other than that mentioned in his general permit.                                                                                                                                                                                                                                                   | 167(1)          | General Penalty                                                                                                   | The most common offence and charge under the act.                             |
| 60-67 (both incl.) | These sections set out the law with respect to the use of liquor by medical doctors, dentists, veterinaries, manufacturers, hospitals, sanatoria, air crew, etc., for non-beverage purposes. Charges under these sections are quite uncommon and hence are not deserving of detailed study from a law enforcement standpoint. | 166             | Fine of \$50-\$300; in default not less than 2 months nor more than 4 months. Corporations — Fine of \$100-\$300. | Offences almost unknown.                                                      |
| 80-90              | These sections relate to beer licenses and beer vendors licenses with respect to payment of fees, authority of licenses, formalities attending sale, delivery, and hours of sale, etc. Charges under these sections are quite uncommon.                                                                                       | 166             | Supra                                                                                                             | Offences almost unknown.                                                      |
| 91(1)              | Did consume beer purchased from a beer licensee in a place other than the beer parlor where it was purchased.                                                                                                                                                                                                                 | 166             | Supra                                                                                                             | Seldom used. Offender usually charged with drinking in public place S.147(1). |

APPENDIX  
SUMMARY OF THE MAIN PROHIBITIONS CONTAINED  
IN THE GOVERNMENT LIQUOR CONTROL ACT, 1928

| Section   | Offence                                                                                                                                           | Penalty Section | Penalty (1st Offence) | Comment                  |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|--------------------------|
| 92        | Being a (minor, Indian, interdicted person) did enter (was in, remain in) a beer parlor was a disorderly (or intoxicated) person in a beer parlor | 166             | Supra                 | Common offences.         |
| 93        | Being a beer licensee did employ (allow) a minor (or female) to handle or serve beer in a beer parlor                                             | 166             | Supra                 | Uncommon offence.        |
| 94        | Being in beer licensee, did sell beer in a beer parlor (at any hour or day prohibited by said section)                                            | 166             | Supra                 | Not very common offence. |
| 95(1)     | Being a beer licensee, did accept (Goods, Chattels, services, etc.) in payment for beer supplied.                                                 | 166             | Supra                 | Very uncommon offences.  |
| 95(2)     | Being a beer licensee, did give or allow credit on account of beer supplied.                                                                      |                 |                       |                          |
| 95(3)     | Being a beer licensee, did advance money for the purchase of beer.                                                                                |                 |                       |                          |
|           | Being a beer licensee, did take money by way of a pledge for beer to be supplied at a future time.                                                |                 |                       |                          |
|           | Being a beer licensee, did cash a cheque in payment of wages in a beer parlor.                                                                    |                 |                       |                          |
| 96(1)     | Being a beer licensee, did serve (or permit to be served or consumed) beer to men and women together in the same beer parlor.                     | 166             | Supra                 | Very uncommon offence.   |
| 98        | Did consume beer in the lavatory of a beer parlor.                                                                                                | 166             | Supra                 | Very uncommon offence.   |
| 105(1)(a) | Being a beer licensee, did permit dancing (or a game of sport or of chance) in or upon his beer parlor                                            | 166             | Supra                 | Very uncommon offence.   |

| Section   | Offence                                                                                                                                                | Penalty Section | Penalty (1st Offence) | Comment                |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|------------------------|
| 105(1)(b) | Being a beer licensee, did keep or maintain a musical instrument (or permit a person to play a musical instrument, or furnish music) in a beer parlor. | 166             | Supra                 | Very uncommon offence. |
| 105(1)(c) | Being a beer licensee, did permit disorderly or intoxicated persons (or persons of notoriously bad character) to be in or upon his beer parlor.        | 166             | Supra                 | Uncommon offence.      |
| 105(1)(d) | Being a beer licensee, did knowingly sell beer to (a minor, interdict, Indian, etc.)                                                                   | 166             | Supra                 | Common offence.        |
| 105(2)    | Did dance, play a game of chance, play a musical instrument, etc. in a beer parlor.<br>was disorderly (or intoxicated) in a beer parlor.               | 166             | Supra                 | Common offences.       |
| 106       | Being a beer licensee, failed to maintain a complete record of beer purchased and received by him, etc.                                                | 166             | Supra                 | Very uncommon offence. |
| 107(1)    | Being a beer licensee, did sell beer containing more than nine per centum of proof spirits in a beer parlor.                                           | 166             | Supra                 | Very uncommon offence. |
| 108(1)    | Being a beer licensee, did sell beer by the glass in a beer parlor at a price exceeding ten cents a glass.                                             | 166             | Supra                 | Very uncommon offence. |



APPENDIX  
SUMMARY OF THE MAIN PROHIBITIONS CONTAINED  
IN THE GOVERNMENT LIQUOR CONTROL ACT, 1928

| Section | Offence                                                                                                                                        | Penalty<br>Section | Penalty (1st Offence) | Comment                |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------------|------------------------|
| 108(2)  | Being a beer licensee, did sell beer by the bottle in a beer parlor without removing the seal (cap) from the bottle.                           | 166                | Supra                 | Very uncommon offence. |
| 109(1)  | Did serve beer in a beer parlor (or club) or act as a beer waiter without being the holder of a beer waiter's license.                         | 166                | Supra                 | Very uncommon offence. |
| 109(6)  | Being a beer licensee, etc., did employ in serving beer in a beer parlor (or club) a person who was not the holder of a beer waiter's license. | 166                | Supra                 | Very uncommon offence. |
| 115(1)  | Did sell beer in a licensed club to (a minor, or non-member).                                                                                  | 166                | Supra                 | Very uncommon offence. |
| 115(2)  | Being the member of a club, did purchase beer therein for more than two guests at a time.                                                      | 166                | Supra                 | Very uncommon offence. |
| 116(1)  | Being a club licensee, did fail to keep posted on the club premises its license (or the names and addresses of the club members).              | 166                | Supra                 | Very uncommon offence. |
| 116(2)  | Being a club licensee, did fail to report forthwith to the Commission all changes in the membership of the club.                               | 166                | Supra                 | Very uncommon offence. |
| 116(4)  | Being a club licensee, did fail to keep a visitors' register.                                                                                  | 166                | Supra                 | Very uncommon offence. |

| Section | Offence                                                                                                                                                                                                                                           | Penalty Section | Penalty (1st Offence) | Comment                 |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|-------------------------|
| 118(1)  | Being a club licensee, did sell beer in a licensed club (on a day or hour prohibited by said section).                                                                                                                                            | 166             | Supra                 | Very uncommon offence.  |
| 119(1)  | Unlawful keeping, having, giving or selling of liquor in unlicensed clubs presumed to be illegal sale under S.141. Although a penalty is provided for a breach of S.119(1), the charge would be laid under S.141 which has a more severe penalty. | 166             | Supra                 | Very uncommon offence.  |
| 127(1)  | Being a brewer, did fail to affix upon bottles containing beer for sale within the province, a label showing the nature of the contents, minimum proof spirits.                                                                                   | 166             | Supra                 | Very uncommon offence.  |
| 128(1)  | Being a licensee, did sell beer by the bottle without a label as required by S.127(1).<br>Being a licensee, sold beer in a bottle other than that in which the beer was delivered to the said licensee.                                           | 166             | Supra                 | Very uncommon offences. |
| 129     | Being a licensee, did sell beer by the glass from a barrel, keg, etc. other than the barrel, keg, etc., in which the beer sold was contained when the beer was delivered to the licensee.                                                         | 166             | Supra                 | Very uncommon offence.  |

# APPENDIX SUMMARY OF THE MAIN PROHIBITIONS CONTAINED IN THE GOVERNMENT LIQUOR CONTROL ACT, 1928

| Section | Offence                                                                                                                                                                                                                                                                                      | Penalty<br>Section | Penalty (1st Offence)                                                                                                                                                                                                                                                                                                                                                                            | Comment                                                                                                                                                                                                                                                                                                                                                        |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 141     | Did unlawfully keep for sale, offer to sell, or sell liquor (by S.144, unlawful sale as to place, time, quantity, etc., by a commission employee is deemed to be a violation of S.141 also, a breach of S.119(1) i.e. unlawful sale, etc., by an unlicensed club is also a breach of S.141). | 164(1)<br>164(2)   | Fine of \$200-\$1,000 plus imprisonment for not less than 2 weeks nor more than 2 months; in default to an additional three months under S.164(2), the magistrate may, instead of imprisoning the accused, put him on suspended sentence if it is expedient that the accused be not sentenced to gaol, having regard to his age, character and antecedents. Corporation—fine of \$1,000-\$3,000. | This is a common offence and is the charge used against bootleggers. It carries the double penalty of a fine plus imprisonment or suspended sentence. It is only rarely that a magistrate will impose a gaol term along with a fine. Almost always the accused is fined the minimum of \$200 and given a period of suspended sentence on his own recognizance. |
| 142(a)  | Did have, keep or give liquor purchased from the Commission in a place other than the residence in which he resides.                                                                                                                                                                         | 165(4)             | Fine of \$100-\$1,000; in default to two months; or imprisonment for three months without option of a fine.<br>Corporation—fine of \$1,000-\$3,000.                                                                                                                                                                                                                                              | This is a common offence (e.g. liquor in cars, etc.) but it is not often a charge is laid under this section. Such a charge is usually laid under S.58(1) carrying a much less severe penalty. It should be noted that a charge for this offence can be laid under any one of four Sections—S.54, S.55(2), S.58(1), or S.142(a).                               |
| 142(b)  | Did have or keep liquor not purchased from the Commission.                                                                                                                                                                                                                                   | 165(1)             | Fine of \$200-\$1,000; in default 3 months; or<br>Fine of \$100-\$300 plus imprisonment of two weeks to two months; or imprisonment of four months without option of fine.<br>Corporation—fine of \$1,000-\$3,000.                                                                                                                                                                               | This is a common offence. Persons found in possession of home brew are the commonest offenders, although it is also applicable to persons found in Manitoba with liquor purchased in other provinces or in the U.S.A. Where circumstances warrant, this charge is sometimes reduced to one of illegal purchase (S.146(2)) for which the minimum fine is \$50.  |

| Section | Offence                                                                                                                                                                      | Penalty Section | Penalty (1st Offence)                        | Comment                                                                                                                                                                                                                                                                                            |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 145(1)  | Did sell or deliver liquor to another person not entitled to sell liquor for purposes of resale.                                                                             | 165(1)          | Supra<br>Corporation—fine of \$1,000-\$3,000 | This charge is seldom laid. Its apparent intention is to prohibit persons from supplying liquor to bootleggers. It also could be laid under S.141 as illegal sale.                                                                                                                                 |
| 145(2)  | Did take or carry liquor from a Government Liquor Store, etc., for the purpose of the selling of such liquor in the province by a person not authorized to sell such liquor. | 165(1)          | Supra                                        | This is an extension of the prohibition contained in S.145(1) and is seldom, if ever, used.                                                                                                                                                                                                        |
| 145(3)  | Did send (or bring or carry) liquor from (John Doe to Mary Doe) or from one place to another in the province.                                                                | 165(1)          | Supra                                        | This sub-section apparently prohibits unlawful transportation of liquor in the province. It is seldom used.                                                                                                                                                                                        |
| 146(1)  | Did consume liquor in a brewery, distillery, liquor store, beer depot, etc.<br>Being a brewery licensee, etc. did permit the consumption of liquor in a brewery, etc.        | 166             | Supra                                        | This is an uncommon offence. Its obvious intent is to prohibit consumption of liquor on the premises where it is manufactured or sold (by the bottle).                                                                                                                                             |
| 146(2)  | Did unlawfully purchase liquor.                                                                                                                                              | 166             | Supra                                        | This is a common offence. It is used to cover cases of private purchases from bootleggers, etc., of Gov't. or illicit liquor as mentioned under S.142(b), persons found in possession of home brew are sometimes charged with this offence rather than 142(b) which carries a more severe penalty. |

**APPENDIX**  
**SUMMARY OF THE MAIN PROHIBITIONS CONTAINED**  
**IN THE GOVERNMENT LIQUOR CONTROL ACT, 1928**

| Section | Offence                                                                                                                                   | Penalty Section | Penalty (1st Offence) | Comment                                                                                                                                                                                                      |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 146(3)  | Did allow liquor to be drunk in a liquor store, beer depot, etc.                                                                          | 166             | Supra                 | A very uncommon offence. It is similar in effect to S.146(1).                                                                                                                                                |
| 146(4)  | Did consume liquor which was not lawfully purchased.                                                                                      | 166             | Supra                 | A very uncommon offence.                                                                                                                                                                                     |
| 147(1)  | Did consume liquor in a public place.                                                                                                     | 167             | General Penalty       | A common offence.                                                                                                                                                                                            |
| 147(2)  | Was intoxicated in a public place.                                                                                                        | 167             | General Penalty       | One of the most common offences.                                                                                                                                                                             |
| 147(3)  | Was intoxicated in a beer parlor (club, etc. — any licensed premises).                                                                    | 167             | General Penalty       | A common offence.                                                                                                                                                                                            |
| 148(1)  | Did give liquor to a minor.                                                                                                               | 166(1)          | Supra                 | A very common offence. Beer parlor licensees and/or waiters can be charged either under this section or under S.105(1)(d) for serving minors.                                                                |
| 148(2)  | Did supply liquor to a person whose permit was suspended (or cancelled).                                                                  | 166(1)          | Supra                 | An uncommon offence. It is very difficult to muster the necessary evidence of who supplied liquor to a person not entitled to buy it. Hence this charge is seldom laid although breaches of it are numerous. |
| 149(1)  | Did purchase (or attempt to purchase) liquor under a permit which was suspended (or cancelled) or in which he was not named as permittee. | 167             | General Penalty       | An uncommon offence.                                                                                                                                                                                         |

| Section   | Offence                                                                                                                                     | Penalty Section | Penalty (1st Offence) | Comment                                                                                                                           |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| 149(2)    | Did apply for a permit in a name other than his own.                                                                                        | 167             | General Penalty       | An uncommon offence.                                                                                                              |
| 149(3)    | Did apply for a permit in respect of premises other than his actual residence.                                                              | 167             | General Penalty       | An uncommon offence.                                                                                                              |
| 150(1)    | Did have, keep, give or consume liquor purchased by means of a physician's prescription in a place other than his residence.                | 167             | General Penalty       | A very uncommon offence.                                                                                                          |
| 151(a)    | Did permit drunkenness upon the said premises of which he is the owner (occupant, etc.)                                                     | 167             | General Penalty       | An uncommon offence.                                                                                                              |
| 151(b)    | Did permit a person under the influence of liquor to consume liquor in the said premises of which he is the owner (occupant, etc.)          | 167             | General Penalty       | An uncommon offence.                                                                                                              |
| 151(c)    | Did give liquor to a person under the influence of liquor.                                                                                  | 167             | General Penalty       | An uncommon offence.                                                                                                              |
| 152(1)(a) | Did unlawfully have or keep liquor in a hotel room (i.e. not a bona fide guest duly registered in the hotel).                               | 167(1)          | General Penalty       | An uncommon offence. A breach of this section is also an offence under S.58 (1) and would probably be charged under that section. |
| 152(1)(b) | Did have or keep liquor in a hotel room in quantities greater than one case of beer, one gallon of wine, and 55 ounces of any other liquor. | 167(1)          | General Penalty       | A very uncommon charge although doubtlessly infractions are common.                                                               |

APPENDIX  
SUMMARY OF THE MAIN PROHIBITIONS CONTAINED  
IN THE GOVERNMENT LIQUOR CONTROL ACT, 1928

| Section   | Offence                                                                                                                                                                                                                      | Penalty Section | Penalty (1st Offence)                                                                      | Comment                                                                        |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| 153(1)    | Being a member (or employee) of the Commission, did engage in another business dealing in liquor as owner, employer, etc.                                                                                                    | 166             | Supra                                                                                      | These offences are seldom, if ever, committed.                                 |
| 153(2)    | Being a member (or employee) of the Commission, did solicit (or receive a commission, gift (bribe).                                                                                                                          | 166             | Supra                                                                                      |                                                                                |
| 153(3)    | Did pay a profit or commission (or make a gift) to a member (or employee of the commission (or of the Government).                                                                                                           | 166             | Supra                                                                                      |                                                                                |
| 154(1)(a) | Did canvass, receive, take, etc. orders for liquor (or act as agent for the sale or purchase of liquor). Did display (or permit to be displayed) a sign, poster containing the words "Bar," "Saloon," "Tavern," "Beer," etc. | 167(1)          | General Penalty                                                                            | Very uncommon offences.                                                        |
|           | Did display (or permit to be displayed) an advertisement or notice about or concerning liquor.                                                                                                                               | 167(1)          | General Penalty                                                                            |                                                                                |
| 158       | Being an interdict, did have (or keep liquor.                                                                                                                                                                                | 167(1)          | General Penalty                                                                            |                                                                                |
| 159       | Did knowingly procure (sell or give) liquor for (to) an interdict.                                                                                                                                                           | 167(1)          | General Penalty                                                                            | Uncommon offence.                                                              |
| 160       | Being an interdict, did make application for a liquor permit. Being an interdict, did enter a liquor store (beer parlor or licensed club).                                                                                   | 167(1)          | General Penalty                                                                            | Uncommon offence.                                                              |
| 209(4)    | Did enter (or attempt to enter) a hotel (restaurant, house, etc.) which was closed by a magistrate pursuant to S.209(1). Did interfere with a constable in the discharge of his duties pursuant to an order under S.209(1).  | 209(4)          | Fine of \$50-\$200 or imprisonment of not more than 60 days or both fine and imprisonment. | Very uncommon offence. Orders to close premises under S.209(1) are quite rare. |

| Section | Offence                                                                                                                                                                                                                                                                                                      | Penalty Section | Penalty (1st Offence)                     | Comment                                                                                                                                                                                                                                                                                                           |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 215(2)  | Being in charge of (or in) certain premises, did refuse to admit a constable (or inspector) to the said premises to make a search thereof (in the execution of his duty).<br>Did obstruct (or attempt to obstruct) a constable, etc., in the execution of his duties (i.e. entering and searching premises). | 167(1)          | General Penalty                           | These offences are fairly common but the charge is almost always laid as obstructing a peace officer contrary to S.168 of the Criminal Code.                                                                                                                                                                      |
| 217(2)  | Same as S.215(2)                                                                                                                                                                                                                                                                                             | 167(1)          | General Penalty                           | The only difference between S.215(2) and S.217(2) is that the former is authority for searching premises (other than private dwellings) without a warrant, while the latter is authority to search any premises named on the search warrant. A breach of either is usually laid under S.168 of the Criminal Code. |
| 219(1)  | Being found on premises in which liquor is seized, did refuse to give his name and address (or did fail to answer satisfactorily the questions put to him).                                                                                                                                                  | 219(2)          | Fine of \$10-\$20, in default 20-40 days. | An uncommon offence.                                                                                                                                                                                                                                                                                              |
| 227(3)  | Being a common carrier, did neglect or refuse to keep an accurate record of each delivery of liquor made by him within the province (or neglected or refused to produce and submit for inspection any record etc., when requested to do so by a police officer, etc.)                                        | 167(1)          | General Penalty                           | A very uncommon offence.                                                                                                                                                                                                                                                                                          |



APPENDIX  
SUMMARY OF THE MAIN PROHIBITIONS CONTAINED  
IN THE GOVERNMENT LIQUOR CONTROL ACT, 1928

| Section                 | Offence                                                                                                                                                                                                                                                | Penalty Section | Penalty (1st Offence)                                               | Comment                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 306                     | Did carry on the business of hotel keeping (or did operate a hotel having six or more bedrooms set apart for the use of travellers) without a certificate of registration under Part IX of the G.L.C. Act, 1928.                                       | 306             | Fine of \$10-\$50; in default, imprisonment for up to three months. | A very uncommon offence.                                                                                                                                                                                                                                                                                                                                                                                                |
| Regulation 7(2)<br>7(1) | Did sell beer by the glass in a beer parlor in quantities of less than 6¼ ounces per glass.<br>Did sell beer by the bottle in a beer parlor at a price exceeding twenty-six cents per bottle.                                                          | 167(1)          | General Penalty                                                     | All of these offences are created by regulations passed pursuant to the G.L.C. Act 1928 — see Man. Regulation 53/54. By S.163 of the Act, every person who violates any provision of the Act or Regulations is guilty of an offence against the Act. It is, therefore, deemed that S.167(1) provides the penalties for breaches of the regulations, although S.167(1) by its terms applies only to breaches of the Act. |
| Regulation 11(2)        | Did give false information to obtain a banquet permit.                                                                                                                                                                                                 | 167(1)          | General Penalty                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Regulation 12(a)        | Being a banquet permittee, did have, keep (or permit to be consumed) at banquet premises liquor not purchased under a banquet permit.                                                                                                                  |                 | General Penalty                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 12(b)<br>12(c)          | Being a banquet permittee, did admit the general public to a banquet.<br>Being a banquet permittee, did serve liquor to a minor at a banquet (or did permit a minor to consume liquor).                                                                |                 |                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 12(3)                   | Being a banquet permittee, did serve liquor to an intoxicated person (or allow an intoxicated person to remain) on banquet premises.<br>Did sell liquor at a banquet.<br>Did remove liquor purchased under a banquet permit from the banquet premises. | 167(1)          |                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 12(f)                   |                                                                                                                                                                                                                                                        |                 |                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                         |

## CHAPTER XIX

### ALCOHOL EDUCATION IN SCHOOLS AND AT ADULT LEVEL

#### Instructions to the Commission:

Without limiting in any way the general scope of its enquiry as hereinbefore set out, the Commission be instructed in particular to make findings and recommendations with respect to:

The situation and problems now existing under The Government Liquor Control Act, 1928, and the situation and the problems likely to exist under any amended Liquor Act providing any or all of the items under the preceding sections, such as

#### Alcohol Education in Schools and at Adult Level

#### FINDINGS

##### 1. The Present Law

- (1) There is no provision in the present Liquor Control Act for alcohol education.
- (2) The Department of Education of the Province has, however, with the approval of the Minister of Education prescribed a course of studies on alcohol for all pupils in Grades VII to XII.
- (3) In Grades VII and VIII, alcohol studies are taught as part of the regular course in health education, and in Grade IX as part of the same course and as part of the regular course in science. In Grade X, a total of eight hours is devoted entirely to alcohol studies, while in Grades XI and XII, a total study period of five or six hours is prescribed. A Manual of Alcohol Studies for Schools has been prepared under the direction of J. M. Brown, Ed.D., Director of Curriculum and Alcohol Education for the Province. It is the basic teachers' manual used in these studies.
- (4) The Questions asked on Grade X Examination Papers in 1953 and 1954 regarding alcohol were:

Grade X Science Examinations June 1953: (14 marks)

Q12 Alcoholic Beverages are used by different people for different reasons. State four such reasons and write a note explaining each.

Q13 The degree to which a person's actions are affected by alcohol can be measured by the concentration of alcohol in the blood. State four things upon which this concentration depends.

Q14 Alcoholic beverages may be classified as fermented beverages, brewed beverages, or distilled beverages. Give two examples of each, and describe the process by which one of the beverages you have named is prepared.

Grade X Science Examinations August 1953: (15 marks)

Q13 (a) Explain why alcohol starts entering the blood stream immediately after it is consumed.

(b) How does the body get rid of its alcohol content?

Q14 (a) What do statistics show in regard to the traffic accidents due to consumption of alcoholic beverages?

(b) What tests are often used to test a person's alcohol content in the blood?

(c) What measures have been taken by law in Manitoba to keep drivers under the influence of alcohol, off the roads?

(d) Why are these measures often difficult to apply?

Grade X Science Examinations June 1954: (10 marks)

Q12 (a) State or list five effects of alcohol on the mind and body.

(b) What is an alcoholic? What is Alcoholics Anonymous?

(c) Name two tests used to determine the alcoholic content of the blood.

(d) Why are alcohol studies included in the curriculum for Manitoba Schools?

Grade X Science Examinations August 1954: (10 marks)

Q10 Give five reasons for believing that alcohol is a menace to society. Write a note explaining each reason.

- (5) In addition, the Manitoba Temperance Alliance is authorized to conduct a programme of alcohol discussion and education at high school level and among interested adult groups throughout the Province. The Temperance Alliance programme in schools is supplementary to the studies prescribed by the Department of Education.

- (6) During the fiscal year of 1954-55, the Province through the Department of Education made a grant of \$20,000 to the Manitoba Temperance Alliance as an aid to the financing of their alcohol education programme.
- (7) The Department of Education reports the following contributions towards alcohol education:

|         | Manitoba<br>Temperance<br>Alliance | A.S.M. School<br>of<br>Narcotics | Alcohol<br>Manual for<br>Schools | Scholarships | Total     |
|---------|------------------------------------|----------------------------------|----------------------------------|--------------|-----------|
| 1950-51 | 3,150.06                           | .....                            | .....                            | .....        | 3,150.06  |
| 1951-52 | 3,036.13                           | .....                            | .....                            | .....        | 3,036.13  |
| 1952-53 | 12,171.75                          | 500.00                           | 4,530.06                         | 50.00        | 17,251.81 |
| 1953-54 | 10,500.00                          | 500.00                           | 2,518.25                         | 25.00        | 13,543.25 |
| 1954-55 | 20,000.00                          | 500.00                           |                                  | 125.00       | 20,625.00 |

## 2. Manitoba Opinion

- (1) We find the opinion very widely held that education on the subject of alcohol should be provided both in the schools and among the adult population.

- (2) Three common impressions seemed to underlie many of the representations made to us:

First, that a broader implementation of the present plan for alcohol education in the schools is necessary if it is to be effective;

Second, that the teaching so far given has not been extensive or as thorough as could be desired;

Third, that where public and home example is contrary to precept, alcohol education in schools faces a heavy handicap.

- (3) We found that the program of alcohol education recently instituted was being given broad approval. The Government was commended for the initial work that has been done. The general feeling expressed was that this program should be greatly extended.
- (4) The Manual of Alcohol Studies for Schools prepared under the direction of J. M. Brown, Ed.D., of the Department of Education with the valuable assistance of many others was highly regarded by most of those who appeared before the Commission.
- (5) It was recommended by many that in Grades VII to XII a definite number of marks should be allotted on examinations to ensure proper study of this subject.

- (6) It was suggested from several sources that education in the schools should commence at an earlier age than is now provided for, namely, in Grades IV, V and VI.
- (7) Mr. W. D. Bayley, a former director of Temperance Education in Manitoba, said among other things:—
- (a) "There would be no moderate temperance opinion if there was not extreme temperance opinion."
  - (b) "The Yale School has performed in this country an immense disservice to the temperance movement, because while they made a great splurge, on the Q.T. they have removed from the schools all abstinence education and put in moderation education."
  - (c) "Alcohol education in schools should commence at an earlier age than is now provided."
  - (d) "In the 1920's total abstinence was taught strenuously in the schools of Manitoba. I did most of it myself."
  - (e) "It is proper that children should be taught abstinence in their early life."
- (8) A number of representations were made to the effect that there had not been enough attention given to methods of teaching the subject and that its presentation at the normal school should be extended. It was many times suggested that teachers should receive Certificate Credits for taking acceptable courses on the problem of alcohol.
- (9) The work of the A.S.M. (Alberta, Saskatchewan, and Manitoba) School of Narcotic Education held each August in Saskatoon was highly commended; it was suggested that teachers be encouraged to attend this school; and it was proposed that Certificate Credits should be given to those attending.
- (10) Amongst others the Manitoba School Trustees Association recommended that the Government should appoint a full time director of education in this field of study whose whole time could be given to organizing and supervising the work of Alcohol Education in schools.
- (11) Nearly all of the representations suggested that alcohol education should be dealt with in a factual manner, clearly presenting to students the problems, dangers and social consequences arising from overindulgence in alcoholic beverages.

- (12) It was proposed by some that a program of adult education should be prepared by the Department of Education. In this connection a program of alcohol education concerning the "drinking driver" was strongly urged. Short movie films were mentioned as an excellent means of alcohol education. It was suggested that more films of this subject should be freely available both for schools and adult groups.
- (13) The lack of public knowledge and understanding of the Government Liquor Control Act was brought to the Commission's attention. The suggestion was made from various sources that the Liquor Control Commission should sponsor an informative programme to acquaint the people with the basic provisions of the Act and of any changes which may be made in the future.
- (14) Social pressures which cause people to drink were adversely commented upon in the brief presented by the Portage la Prairie Presbytery as follows:
- "We would most emphatically stress the need of alcohol education at the point of social etiquette. People must learn again that it is rude and ungracious to force alcohol on anyone. The good host will always provide an alternative drink and will never by any subtle or offensive way force liquor upon people who would rather, or who should leave it alone. People need to learn that it is not necessary for them to provide liquor for their guests if they would really prefer not to. The function of alcohol education is to help people put alcohol in its place and it is not its place to dictate our social customs."
- (15) The work of the Manitoba Temperance Alliance in connection with education in Manitoba Schools received commendation from many quarters. The Alliance set out its purpose regarding alcohol education as follows:
- "1. Continuing with the present program of alcohol education in the secondary schools of Manitoba, and with the excellent "Manual of Alcohol Studies" which is the spearhead of the course at present. Supplementary printed material based on the Manual should be prepared for distribution and use among students.
2. Giving thought to the advisability of teaching basic facts about alcohol in the lower grade levels. We have no doubt that pupils in grades four to six are capable of thinking about the basic facts about alcohol, whether these facts come by way of teaching health, or social studies or science or sports.
3. The extension of teacher-training for effective alcohol instruction at the Normal School, and through workshops and institutes in training areas or at the general community level. With regard to workshops and institutes it is desirable that the general public, or those particularly interested, will have access to them.

4. A continued and accelerated programme of promotion by various concerned groups of the concept of social responsibility in regard to the use of alcoholic beverages. Large gains have yet to be made through awakened social responsibility in such problem areas as drinking and driving, drinking and recreation, drinking and mental health, drinking and social and industrial efficiency, and drinking and alcoholism. These are some of the aspects of Manitoba's Liquor situation which require "alcoholic education . . . at the adult level"; and it is here that the work of the Alliance can bear much fruit in the future.
  5. Continued support of the A.S.M. School of Narcotic Education in the hope of improving the effectiveness of the school. Thought should be given by appropriate provincial educational authorities to the possibility of giving academic credits to students and teachers taking the A.S.M. course.
  6. The establishment of **research grants**, for the purpose of the continued and systematic study of alcohol problems in Manitoba.
  7. Encouraging our public libraries to keep on their shelves a selection of up-to-date and authoritative books dealing with subjects of the alcohol problem."
- (16) The work of the Committee on Alcoholism for Manitoba and particularly its information centre received high praise from a number of sources. The material distributed by the Committee on the subject of alcoholism has been an important contribution to adult education.
  - (17) The members of the Commission commended the Carman Alcohol Education Council for the constructive programme that they have sponsored in the schools of their community.
  - (18) The Christian Business Men's Committee in their presentation said:  

"May we first mention what is our principle attitude in respect to problems arising out of drinking alcoholic beverages. We believe that the problem is best dealt with on the individual plane. The solution of such problems comes from the enlightenment of the mind and conscience. The ideal source of this enlightenment is in the knowledge of Jesus Christ and His power to regenerate the personality. It is to the emphasis and the spread of this knowledge that we give priority in our efforts."
  - (19) The Manitoba Federation of Agriculture and Co-operation in their presentation to the Commission stated:  

"We strongly urge that your Commission should recommend an expanded programme of public education and public information with respect to the effects upon our people from the consumption of liquor. We feel, however, that these efforts require constant encouragement and support and in particular we feel that the government itself, through the Department of Education and the school system should undertake a more vigorous campaign. We are less optimistic about the effect of an educational programme directed at adults."

- (20) The Winnipeg Chamber of Commerce advised that 90% of their members were reported in favor of alcohol education in schools and 85% approved of a programme for adults.
- (21) The Provincial Council of Women said in their presentation to the Commission:

"The replies( questionnaires returned by their members) re alcohol education in schools were couched in most emphatic terms. There was general support for the present alcohol education programme in Manitoba Schools. The Manual on Alcohol Studies prepared by the Department of Education, has apparently been widely and favourably accepted. Quite a number believe the course should begin in the lower grades. At High School level written examinations should be compulsory.

Since the Government of Manitoba control liquor sales and received very handsome profits, it should pay for the ill effects of alcohol consumption."

The above opinion was strongly endorsed by other organizations, which have manifested an interest in education; namely the School Trustee's Association, The Manitoba Women's Institute, the Manitoba Federation of Agriculture, and many different church groups.

### 3. Other Provinces

- (1) We find that all of the Provinces recognize the importance of alcohol education and have taken some steps toward introducing it into the schools. The character and the extent of this education varies widely.
- (2) In other Provinces, government support for alcohol education at the adult level has been of three sorts:
- (a) educational programmes regarding drinking and driving;
  - (b) financial support of the public information programme of the local committee on alcoholism;
  - (c) in three Provinces, Saskatchewan, Manitoba and Newfoundland, financial support to the Provincial Temperance Association for their educational work.
- (3) Ontario, Alberta and British Columbia, as well as Manitoba, have prepared and issued a Manual on Alcohol Education for the use of their teachers.
- (4) We were impressed that British Columbia and Alberta, had succeeded in integrating instruction on the subject of alcohol in its proper place in several courses in schools; e.g. in health and personal development, science, and social studies.



- (5) The Supervisor of Guidance, Alberta Department of Education, explained to the Commission that in Alberta they had drawn a good deal of their material from the Manuals now in use in British Columbia and Manitoba. He explained that their alcohol education is not treated as a separate subject but is integrated into their health and personal development courses. He said that his department publishes a regular newsletter for teachers in which they include information regarding the teaching of alcohol education. He also said that in all of their large high schools there is a resident counsellor who assists the teachers in their alcohol education programme.
- (6) The provinces of New Brunswick and Nova Scotia have "Directors of Education" whose duty it is to assist teachers in presenting the subject of Alcohol Education.
- (7) In several provinces, as in Manitoba, one problem is found to be that of an already overcrowded curriculum in which the introduction of additional subjects or subject material is most difficult.

#### **4. Alcohol Education in the United States**

- (1) In many of the States of the United States, as in Canadian Provinces, we found a wide degree of attention being given to the subject of alcohol education. Nearly all States have some provision for it. There is some feeling that the aims and subject matter and procedure are still some distance from perfection in many places.
- (2) Mr. H. H. Hill, Executive Director of the Washington Temperance Association speaking of the work done by their Association in Washington schools, made the following statement:

"We have recommended that alcohol education should not be made a special subject but rather that it should be integrated in other courses of study. It is not a department of life but rather pertains broadly to many aspects of human life and therefore should be included in many subjects. We stress the fact that teachers should not inject personal feeling or bias into their teaching of this subject and we believe that the approach in school should be objective and on an academic level."

#### **5. Other Countries**

- (1) Our information with respect to education in Europe is very limited. It would appear that Alcohol Education there, ranges all the way from little or nothing in parts of Southern Europe to more objective courses in parts of Central Europe, and a severely "dry" type of education in the Nordic countries.
- (2) The British Royal Commission on Licensing (England and Wales) 1929-31 Reports on education as follows:

692. "The Board of Education, to quote the evidence given before us by their Senior Medical Officer.

'have indicated in the introduction to the syllabus and through other channels what they consider to be an appropriate way of presenting this subject to children of school age. Broadly speaking, definite instruction is appropriate only in the case of older boys and girls, and the older the pupil the more fully can the instruction be given. It is important first that the instruction should form part of the general course of instruction in Hygiene, or, as the subject is now more usually termed, in Health Education. Secondly, it is advised, owing to the prejudice surrounding the subject, that the notes on the syllabus should be followed with some care in order to avoid the making of statements not properly authenticated. Thirdly, while *ad hoc* lessons should be given to older children, it is advised that much useful, even if less formal, instruction may be given as part of the Science course; when dealing, in History and Geography lessons, with the social life of the people and with the effect of physical and climatic conditions: as part of the training associated with sports and organized games. Fourthly, the point is particularly emphasized in the syllabus that the appeal should be to the children's common sense and that stress should be laid on the positive gain of temperance as represented by fitness and well-being. At the same time there should be presented to older children, who are more capable of appreciating the points made, the findings of trained observers on the effect of alcohol on the life of the individual and the community.'

These principles appear to us to be admirably conceived.

694. In addition to such teaching as is given as part of the normal curriculum, lecturers attached to various temperance organizations have visited numerous schools. We endorse the tributes paid by many witnesses to their work. We think it better however, that the instructions should be more intimately associated with the ordinary curriculum of the schools, and trust that increasingly it will be given by qualified members of the regular staff.
699. We recommend, further that there should be inquiry by the Board of Education Inspectors as to the extent to which instructions on the basis of the syllabus is carried out in each school visited.
700. We have dealt so far with the matter of instruction in schools. Of no less importance is the question of instruction on the subject in teachers' training colleges, on the adequacy of which much must obviously depend. We are glad to understand that, although direct control of the final examinations has recently passed from the Board of Education to the Regional Joint Examination Boards, instruction on the basis of the syllabus figures prominently in the curricula of the various colleges. We trust that the authorities will do all that is possible to secure that this feature is maintained and extended.

## 6. Opinions of Authorities

- (1) Mr. Bryant, Director of Education, Washington State Liquor Control Board, told the Commission: "I do not think that anything can replace the job that parents should do in their own homes in teaching their children about the liquor problem".

- (2) Mr. H. H. Hill, Executive Director Washington Temperance Association, in his book "Objectives of Education" writes

"To fail to teach students important facts about drinking in order to avoid controversy is both unwise and unnecessary. It is unwise because of the growing problem of alcoholism and increasing threats to safety on the highway. It is unnecessary because the problem can be approached in a manner which is pedagogically sound and minimizes the likelihood of criticism. Basically, it is a matter of applying to alcohol education the same broad objectives implied in all of education. In other words, teachers who are careful not to set up prejudicial goals inimical to the over-all aims of education are on safe ground."

In "Education as a Means of Prevention", Mr. Hill says:

"One of the greatest needs in education today is a teacher training programme designed to equip teachers properly to deal with this problem effectively both with regard to techniques of presentation and subject matter. Alcohol education is the only subject that has been given special legislative attention in all forty-eight states. This legislation demands that it shall be taught and in some cases provides stiff penalties for noncompliance, yet practically no provision has been made on the teacher education levels."

Mr. Hill writes further in "Objectives of Education"

"The most hopeful approach today toward a solution lies in a sound and scientific educational programme which presents, through all available media and in a factual impersonal and positive manner, the latest scientific findings concerning alcohol.

Such a programme must not convey the impression that drinking is a worthy habit for your people. It must not undermine the influence of a good home in which alcohol is used in moderation. It must not use exaggeration, overemphasis, exhortation or other similar approach.

Such a programme should present to the student, not preconceived conclusions concerning alcohol, but such information as will enable him, with the advice of his parents, to form his own reasoned conclusions when years of discretion are reached."

- (3) Dr. David A. Stewart, Deputy Head of Social Services, New Brunswick, in a report on Alcohol Education, makes the following statement:

"One does not hammer alcohol and alcoholism in education for prevention. They emerge in their true significance out of a complex of mental health principles."

- (4) The final aim of alcohol education is no different from that of education in general. We need to integrate alcohol teaching into our regular curriculum in such a way that students learn to live at their best. We believe the teaching should be scientifically factual, objective and practical. (British Columbia reference manual)

## GENERAL OBSERVATIONS

1. The Manual of Alcohol Studies for Schools, a reference manual for teachers, produced by Dr. Brown and his associates, is highly regarded throughout this Province, in other provinces and in many places in the United States.
2. The Manitoba Temperance Alliance has done an excellent job in bringing alcohol education to young people both in schools and in church groups.
3. We believe, however, that in the light of what many people in Manitoba and elsewhere have told us that we have made only a small beginning. Real education concerning the alcohol problem is the chief hope of wise laws and wise social planning.
4. We believe that information regarding drinking and its attendant evils should be presented in an objective and factual manner rather than by lurid propaganda. It is hoped that to this end teachers may be given sound and careful instruction. It would seem that to date they have been somewhat reluctant to become involved in teaching a subject so controversial and one often charged with emotion.
5. Teacher Credits should be given in this subject for Certificate qualification. The Normal School should be made aware that this is vital work.
6. Newsletters similar to those used in Alberta might be sent as directives to teachers, also to assist in integrating this programme, a pamphlet might be prepared to supplement the Manual of Alcoholic Studies and give brief direction to the now overburdened teacher.
7. It is here suggested that alcohol education should become a part of Health, Science, Social Studies and Guidance Programmes, rather than having it treated as an additional subject.
8. We suggest that there should be either Conferences for teachers on this problem, or special sessions devoted to its presentation at the regular Teachers Convention.
9. Although some briefs suggested starting this study in Grade I to IV, many agreed with Dr. Brown that Grade VII is soon enough. British Columbia and other Provinces agree.
10. Examination questions should be required in this subject.
11. We suggest that consideration be given to the formation of Allied Youth Clubs in Manitoba high schools. These clubs are established in many American high schools and in high schools in other parts of Canada; their purpose being to study the problems of alcohol and

to promote a social club programme emphasizing that the best good times are had by the crowd that does not drink. Affiliation with Allied Youth Clubs would provide a preventative educational programme and contribute to the task of alcohol education in high schools.

12. The Highway Safety Division and Police Department have made us conscious of the dangers of drinking and driving by effective advertising and through radio broadcasts. Highway Traffic fatalities daily bring home the need of public awareness of this problem.
13. We commend the educational work done by the Committee on Alcoholism and The Manitoba Temperance Alliance and we recommend that they continue to receive financial assistance from the Government so that their work may be continued and extended.
14. We agree with the principles of alcohol education contained in the report of British Royal Commission on Licensing which stated:

"We accept the view that every child ought to receive systematic instruction as to the properties of alcohol, as in matters which may affect future health, so that the child may at least be in possession of sound material on which to form a personal judgment when years of discretion are reached."

## RECOMMENDATIONS

1. That a vigorous educational campaign concerning alcoholism and other effects of alcohol be undertaken by the government, and that such education be directed to encourage abstinence for minors and discourage excess by others.
2. That instruction concerning alcohol continue to be integrated in the public and high school courses rather than taught as a separate subject, and that this material be subject to examination each school year.
3. That public and high school teachers be trained at Normal School and in the Faculty of Education in this subject as well as in the techniques of alcohol education; and that the present excellent Manual of Alcohol Studies for Schools be used as a basis for this study.
4. That a Director of Alcohol Education be appointed for the Province and that he be given power to coordinate alcohol education at all levels, i.e. public and high school, University, Normal School, and adult education outside these institutions.
5. That the services of outside organizations such as the Manitoba Temperance Alliance and the Committee on Alcoholism and such related organizations be drawn upon for co-operation to the fullest extent that is feasible. It is suggested that, because of the value of their work, the Manitoba Temperance Alliance continue to receive government grants for their support.

## CHAPTER XX

### RELATIONSHIP OF BREWERIES TO HOTELS AND TO LIQUOR OUTLETS

Without limiting in any way the general scope of its enquiry as hereinbefore set out, the Commission be instructed in particular to make findings and recommendations with respect to:

The situation and problems now existing under the Government Liquor Control Act, 1928 and the situation and problems likely to exist under any amended Liquor Act providing any or all of the items under the preceding sections, such as

the significance of the relationship of breweries to hotels and to liquor outlets.

### FINDINGS

#### 1. The Present Law

S.77(1) (f) Under the present Act no beer license or beer vendor's license can be granted to an applicant if he is under written covenant with a brewer or brewers to sell it or their beer.

S.77 (2) Any such covenant, whether verbal or written or contained in any agreement for sale, lease or mortgage of a hotel, the land upon which it is situated, or the chattels in it, is expressly declared by the Act to be null and void. The discovery of the existence and observance of such a covenant renders the license of the brewer as well as that of the hotel license liable to suspension by the commission.

#### 2. Administration

We find:

- (1) That out of 278 hotels having beer licenses in Manitoba, 88 are owned by breweries, 106 others have loans of varying amounts from breweries and 27 out of 73 clubs have loans from breweries.

- (2) That the number of hotels owned by the Breweries has increased from 15 in 1927, to 32 in 1928, and to 88 in 1954.
- (3) That the amount of loans extended by breweries to hotels in 1928 was \$919,390.00 and in 1954 it was \$1,748,804.00.
- (4) That in certain cases licensees borrowing from the breweries have not been required to pay the market rate of interest, or in some cases any interest at all.
- (5) That a total of 27 new hotels have been built and licensed in Manitoba since 1945. Of these, 7 hotels are owned by breweries, and all of the others (with only two or three exceptions) have obtained financial assistance by way of loans or mortgages from breweries.
- (6) That the Special Committee of the Legislature enquiring into this matter in 1951, reported that at that time the financial relationship between breweries and hotels was entirely within the law.
- (7) That the administration officials are of the view that the brewery owned hotels were well maintained and operated, and that where breweries own hotels the physical facilities have been improved. No evidence was found that brewery operated hotels create any more problems than other hotels.
- (8) That the Government Liquor Control Act, 1928, does not specifically require that the licensees have on sale all brands of beer.
- (9) That while there is no illegal "tie-up" which requires the use of any one brand of beer in any one hotel, there are times when no draught beer can be found in a brewery controlled hotel other than that manufactured by the brewery owning it or loaning money to it.
- (10) That some breweries and hotels are of the view that it is not practical to have different brands of draught beer in one hotel.
- (11) That in the case of bottled beer where a brewery owns a hotel, up to 80% of the bottled beer sold therein was from the particular brewery owning the hotel, notwithstanding the fact that the Liquor Commission requires each hotel to stock representative brands of Manitoba beer.

- (12) That the stocking of different brands of beer was the subject of study by a Special Select Committee of the Legislature; that following a recommendation by this Committee, the Liquor Commission sent out a letter of instructions on August 7, 1952, to beer and beer vendor licensees, advising them that they would be required to keep in stock representative brands of Manitoba beer, as well as to keep posted above each bar a sign showing the representative brands of bottled beer available at the time. We find that the Liquor Commission had power to give these instructions, but it has seemed to us that, in future, it would be better to deal with such matters by regulations rather than by a simple letter of instruction.
- (13) A statistical analysis of the business done by different groups of hotels has been summarized and appears on the pages following:

### BREWERY-OWNED AND "CONTROLLED" HOTELS

1. Of Manitoba's 278 hotels (as at December 31, 1954), 89\* are owned by breweries, wholly or in part; 106 are under loan or mortgage obligation to breweries, and 83 are wholly independent of breweries.
2. Total beer sales of the 89 hotels owned by breweries amounted to 3.1 million gallons in 1954 with average sales per hotel being 34,900 gallons.
3. Total beer sales of the 106 hotels under loan obligation to breweries amounted to 2.2 million gallons in 1954, with average sales per hotel being 20,600 gallons.
4. Total beer sales of the 83 hotels which were financially independent of breweries amounted to 1.5 million gallons in 1954; with average sales per hotel being 18,200 gallons.
5. The aggregate sales of beer by all hotels in 1954 was 6.8 million gallons, with sales distributed as follows:
 

|                                                   |     |
|---------------------------------------------------|-----|
| 1. 89 hotels owned by breweries .....             | 46% |
| 2. 106 hotels under obligation to breweries ..... | 32% |
| 3. 83 financially independent hotels .....        | 22% |
6. The above data is summarized in the following table:

\*(Note: Of the 89 hotels mentioned, 88 are actually owned by breweries, and one is controlled, but not owned by a brewery.)



**BEER SALES BY BREWERY-OWNED OR "CONTROLLED" AND  
INDEPENDENT HOTELS, MANITOBA,  
YEAR ENDING MARCH 31, 1954**

|                                         | Number<br>of<br>Hotels | Aggregate<br>Sales | %<br>of Total<br>Hotel<br>Sales | Average<br>Sales<br>per Hotel              |
|-----------------------------------------|------------------------|--------------------|---------------------------------|--------------------------------------------|
| Owned by breweries                      | 89                     | 3,100,000 gals.    | 46 %                            | 34,900 gals.                               |
| Under obligation to<br>breweries        | 106                    | 2,200,000 gals.    | 32 %                            | 20,600 gals.                               |
| Financially independent<br>of breweries | 83                     | 1,500,000 gals.    | 22 %                            | 18,200 gals.                               |
| Total                                   | 278                    | 6,800,000 gals.    | 100 %                           | 24,400 gals.<br>(Average of<br>all hotels) |

7. Some more specific relationships between breweries and hotels were as follows:

**A. Beer sales of Hotels Owned (wholly or in part) by Breweries.**

| 1.<br><br>Owned by | 2.<br><br>Number<br>of<br>Hotels<br>Owned | 3.<br><br>Total<br>Sales by<br>Owned<br>Hotels<br>(gals.) | 4.<br><br>Average<br>Sales<br>per<br>Hotel<br>(gals.) | 5.<br><br>% of<br>Owned<br>Brewery<br>Beer<br>Sales<br>to Total | 6.<br><br>% of<br>Affiliated<br>Brewery<br>Beer<br>Sales to<br>Total | Total of (5)<br>& (6) % of<br>Financially<br>Interested<br>Brewery<br>Beer Sales<br>to Total<br>Sales |
|--------------------|-------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| Brewery A          | 44                                        | 1,500,000                                                 | 34,700                                                | 87 %                                                            | 7 %                                                                  | 94 %                                                                                                  |
| Brewery B          | 39                                        | 1,300,000                                                 | 34,100                                                | 73 %                                                            | 19 %                                                                 | 92 %                                                                                                  |
| Brewery C          | 1                                         | 29,000                                                    | 29,000                                                | 85 %                                                            | 6 %                                                                  | 91 %                                                                                                  |

Note: In addition 5 hotels were owned jointly by Brewery A and Brewery B. Their total sales were 314,000 gallons, of which 76 % consisted of Brewery A's beer and 15 % of Brewery B's beer.

**B. Beer Sales of Hotels under Financial Obligation to Breweries.**

| 1.<br><br>Lending<br>Brewery | 2.<br><br>Number<br>of<br>Hotels | 3.<br><br>Total<br>Sales<br>of Hotels | 4.<br><br>Average<br>Sales<br>per<br>Hotel | 5.<br><br>%<br>Lending<br>Brewery<br>Sales<br>to Total | 6.<br><br>%<br>Affiliated<br>Brewery<br>Sales<br>to Total | 7.<br><br>(5) &<br>(6) Total<br>of |
|------------------------------|----------------------------------|---------------------------------------|--------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------|------------------------------------|
| Brewery A                    | 47                               | 994,000                               | 21,100                                     | 69 %                                                   | 12 %                                                      | 81 %                               |
| Brewery B                    | 48                               | 978,000                               | 20,400                                     | 72 %                                                   | 14 %                                                      | 86 %                               |
| Brewery D                    | 3                                | 78,000                                | 26,100                                     | 69 %                                                   | 15 %                                                      | 84 %                               |
| Brewery E                    | 4                                | 30,000                                | 7,400                                      | 42 %                                                   | 11 %                                                      | 53 %                               |
| Brewery F                    | 4                                | 102,474                               | 24,600                                     | 59 %                                                   | .....                                                     | 59 %                               |

**Comments on Brewery-Hotel Relations:**

- (1) The breweries own most of the important hotel outlets in the province: average sales of brewery owned hotels are substantially larger than the average sales of other hotels.

- (2) The average sales of independent hotels are lower than average sales of hotels to which the breweries have extended loans.
- (3) Ownership of a hotel enables a brewery to ensure that the hotel sells, almost exclusively, its own beer, and the beer of other breweries in which it has a financial interest.
- (4) Extension of a loan by a brewery to a hotel in practice results in that hotel purchasing the major portion of its beer requirements from the lending brewery or its affiliates.
- (5) Almost without exception, brewery owned hotels sold no other draught beer than that produced by the owning brewery. Since draught beer sales account for approximately one half of the beer gallonage sold by hotels, this fact by itself means that the owning brewery tends to have a complete monopoly of one half the hotel's sales.
- (6) Hotels owned by breweries emphasize the sale of beer produced by the owning brewery in regard both to vendor sales and parlor bottle sales. Thus of
  - (a) the bottled beer sold by Brewery A owned hotels in their parlors, 58% was Brewery A's and 23% was brewed by affiliated breweries; of the vendor beer sold by Brewery A owned hotels, 80% was Brewery A's and 13% was brewed by affiliated breweries.
  - (b) In the case of hotels owned by Brewery B, 55% of the bottled beer sold in their parlors was Brewery B's and 26% of affiliated breweries; of vendor beer sold by these hotels, 60% was Brewery B's and 25% was brewed by affiliated breweries.
- (7) Hotels which are under loan or mortgage obligation to breweries, generally sell the draught beer exclusively of the lending brewery. In addition they emphasize, in vendor and individual bottle sales, the sale of beer brewed by the lending brewery and its affiliates, but not quite to the same extent as do hotels which are owned by breweries.

### **3. Manitoba Opinion**

- (1) Not many of those appearing before the Commission expressed opinions regarding the financial relationship between breweries and hotels. Those who did, including a number of Church groups, the Manitoba Temperance Alliance and the Provincial Council of Women, expressed the view that they considered it undesirable that breweries should be owners or part owners of any licensed premises where their products are sold.

- (2) The Provincial Council of Women made the following statement in this regard:

"Brewery loans were opposed by most women on the grounds that these loans meant brewery control."

- (3) The opinions of many Church groups were expressed in the brief presented by the Dauphin Presbytery of the United Church in which the following statement was made:

"Such a relationship is a temptation to a deliberate promotion of the sale of liquor."

- (4) As to the relationship of Breweries to hotels, the Manitoba Hotel Association quoted three findings included in the report of the Select Committee of the House, dated January 22, 1951, as follows:

1. That Section 77, subsection 2, of the Liquor Act is not being contravened.
2. That the financial set-up of the several hotel companies which came under review as to shares, mortgages, loans or direct ownership by the breweries is quite legitimate.
3. At no time has there been a law prohibiting breweries having a financial interest in a hotel company which has a beer license in Manitoba.

- (5) Referring to the three points in the Special Committee report referred to above, the Secretary of the Manitoba Hotel Association said as follows:

"In other words it is quite legal for breweries to have an interest in hotels. If we could see where brewery interests in hotels do detriment to the public interest we would oppose it, but we see no reason, we have seen nothing to indicate that, nor to the maintenance of good hotel conditions in the Province of Manitoba. Rather the reverse. They have bettered immensely our industry because by their improvements they have made an incentive for others to follow."

- (6) With reference to the third finding of the Select Special Committee, it is interesting to note that in Bill 31, the original bill as presented to the Law Amendments Committee in 1928, there appeared the following provision which was a prohibition against brewery interests in licensed hotels.

"72 (1) No beer license shall be granted in respect of any hotel:

—(f) if the hotel or the land in which same is situated or the furnishings or equipment thereof or anything therein which is essential to the carrying on of the business thereof is owned, controlled, encumbered, or charged by any brewer, whether directly or indirectly or by registered or unregistered deed, transfer, mortgage, agreement or other instrument or by shares or stock in a holding corporation or by trust deed or straw man or in any manner whatsoever. This provision shall be a disqualification for beer license of the hotel premises and of every applicant for such a license; and also of every beer license in respect of hotel premises in which the interest of such brewer is acquired after the license is granted."

The wording of this section in the bill was amended in Law Amendments Committee in 1928, and came out of the committee worded as it is now found in S.77 (1) (f) and S.77 (2) of the Act, already shown.

- (7) The Manitoba Hotel Association referred to the difficulty experienced by hotel owners and prospective hotel purchasers in obtaining loans through the usual financial channels and said that this was an important reason why breweries were called upon to make such loans.
- (8) It was pointed out to us, particularly in the case of small hotels, that there are technical difficulties in keeping more than one brand of draught beer.
- (9) A representative of the breweries pointed out that the acquisition by breweries of ownership of existing hotels has brought about a betterment in the former condition of the hotel, and, generally speaking, higher standards and good records in the matter of law observance.

#### 4. Other Provinces

- (1) We found the following to be the situation in the respective provinces:

NEWFOUNDLAND — No prohibition against “tied houses”.

NOVA SCOTIA — No licenses are granted to (1) persons under compliance to sell the beer of any particular manufacturer, (2) to manufacturers of liquor, beer or wine, (3) to any persons receiving directly or indirectly any assistance, financially or otherwise, from such manufacturers or their agents.

PRINCE EDWARD ISLAND — No licensed premises and therefore no legislation forbidding “tied houses”.

NEW BRUNSWICK — No licensed premises, therefore no legislation forbidding “tied houses”.

QUEBEC — No specific prohibition against “tied houses” but it is apparently the policy of the Quebec Liquor Commission to prohibit financial assistance between suppliers and licensees. An official of the Quebec Liquor Commission made the following statement to this Commission:

“In the old days the brewers would assist licensees, but that is not now permitted. We do not allow any financial assistance or credit between suppliers and licensees.”

ONTARIO — The Liquor License Act (Sec. 29) forbids any financial interest between a manufacturer of liquor and a licensed premises either directly or indirectly and also forbids any agreement by licensees to sell the liquor of any manufacturer.

In their interviews with the Ontario Liquor Boards the Commission were told that this provision of the Liquor License Act is strictly enforced.

SASKATCHEWAN — Brewery interest in hotels is not allowed in Saskatchewan, and the reason given is that “brewery owned hotels set too high a standard for independent hotel owners to follow”. It was explained that it would be a disservice to the travelling public if small competitive hotel operators were forced out of business by brewery owned hotels.

ALBERTA — There is an agreement between the Alberta Liquor Control Board and the breweries freezing their hotel holdings and they are not allowed to make further advances or have further interests in hotels without the approval of the Liquor Board.

BRITISH COLUMBIA — Hon. H. H. Stevens, Chairman of the British Columbia Liquor Inquiry Commission 1952 made the following comments:

“Most of the beer parlors are owned or controlled by Brewers. The Brewers told me that beer parlors were given a sales quota and the manager would be fired if he did not make the quota. We reported very strongly against Tied Houses but I do not think our recommendations have been put into practice.”

The British Columbia Government Liquor Act 1953 (Sec. 38) clearly states that sales or financial agreements between manufacturers and licensee are forbidden.

- (2) Aside from Newfoundland, it would appear that no province now grants licenses to persons having any financial obligations direct or indirect to manufacturers; and that in provinces which have had this relationship in the past, it is either being frozen as it was, or encouragement is being given to the elimination of any such relationships.

- (3) We have found an interesting fact bearing on this question; namely, that in the Province of Saskatchewan when hotels owned by either Manitoba or Alberta breweries were denied the right to sell Manitoba or Alberta beer in such hotels, they rapidly proceeded to dispose of their hotel holdings in that Province.
- (4) In Saskatchewan they have a plan under which the beer manufactured by breweries reaches the licensees under equitable conditions to them all and to the breweries as well, thus relieving the latter of any need or urgency to own hotels. All of the Breweries in Saskatchewan are given a sales quota which assures equitable distribution between them. The orders for beer are handled only by the Liquor Board.

## 5. State Laws (U.S.A.)

- (1) We find that in all those states where liquor can be sold legally (46 states and the District of Columbia) any financial relationship between liquor suppliers and licensees is prohibited. As stated by one prominent liquor administrator, tied houses are disallowed and do not exist in the United States.
- (2) One observation came to us that in the State of Minnesota, financial relationships between brewers and licensed outlets had been "frozen" at the 1943 level. The 1943 relationship was permitted but not allowed to be extended. It was suggested by one administrator that breweries are the most aggressive section of the alcoholic beverage industry; and that if "tied houses" were not forbidden, breweries would return again to the pushing of retail sales through controlled outlets.
- (3) The Distilled Spirits Institute, Washington, D.C., advised the Commission members that tied houses are universally disallowed and that they do not now exist in the U.S.A. Confirmation of this fact was obtained by the Commission in each of the states that they visited as follows:

NEW YORK — There is strict prohibition of any ties either direct or indirect between manufacturers or distributors and licensed outlets. This is very strictly enforced.

VIRGINIA — The Alcoholic Beverage Control Act forbids any manufacturer, bottler or wholesaler, or any of their officers or directors from having any financial interest, direct or indirect, in the business, premises, equipment, furniture, fixtures or property of any establishment for which a retail license has been issued.

PENNSYLVANIA — Tied Houses are not allowed.

MINNESOTA — Laws prohibiting “Tied Houses” are strictly enforced. Brewery holdings have been frozen as at 1943 and no new interests may be acquired.

NORTH DAKOTA — Tied Houses are not allowed.

WASHINGTON — Under the provisions of the law breweries cannot have any interest whatsoever in a hotel or any establishment where liquor is sold at retail. Two years ago this provision in the Washington Act was further strengthened to forbid any connection between breweries and retail outlets.

## 6. Other Countries

(1) It has been pointed out to us that because of the heavy capital investment in breweries, and the relatively small cost of labor and material that further increases in output are achieved with only small additional cost, and therefore any increase in sales brings a disproportionately large increase in profits.

(2) We find that in Great Britain tied houses are permitted.

(3) The Brewer’s Almanac, 1954 (The Brewers Society, England) quotes as follows:

“There are 73,000 on-license premises in England and Wales and of these some 54,000 are let by brewery companies to tied tenants. A further 11,000 are run by the brewery companies and are under salaried managers.”

(4) Dr. Jellinek gave two opinions regarding Tied Houses.

1. “The big breweries cannot afford very well to have a place they own or control to have poor conduct or be a disorderly place.

2. Breweries which control “Tied Houses” have a double incentive to increase sales as they are both the wholesaler and the retailer. I do not think it is a very big issue although most countries are against it. The United States is really against it.”

(5) In England, the greater number of outlets are tied houses and are likely to remain so. G. B. Wilson gives something of the background in which this extensive tying had its rise. (Alcohol and the Nation, pp. 81-82):

“The remarkable awakening which took place among the justices at the end of the eighteenth century led to the limitation of the number of public houses, the imposition of conditions as to the suitability of premises, and the necessity for giving sureties for the publicans’ good behaviour.

All these factors operated to limit the holding of licenses to persons who either had capital of their own or could obtain it from others.

The obvious person to assist the intending publican or the publican from whom the justices were requiring further outlay for improvements was the brewer, and large sums were advanced in this way on the natural understanding that the publican bought his beer from the lender. A further factor was the high taxation not only on malt but on beer manufactured for sale. This tended to crush out many of the smaller publican-brewers, and as a result of all these factors many licenses came under the control of the brewers and there was an enhancement of values which was bound to lead to an increase of price and, it was contended, to a depreciation of the quality of beer supplied — a charge which, though not devoid of truth in some cases, was certainly not well founded as a broad generalisation.”

- (6) On the ill effect of tying, Wilson has this to say, (p. 182):

“In the earlier days, when the population was scattered, when thousands of public-houses and many private householders brewed their own beer, when the publican was, in an arguable sense, “mine host” and the public-house the principal social centre of the neighborhood, the influence of the Trade as a corporate entity was comparatively small. The public-house regardless of party, at election time was at the disposal of any candidate who wished to bribe the electors. When, however, the nation began to realize the necessity for legislative control and restriction of the sale of liquor in the public interest, the Trade, in its turn, realized that necessity for combined effort in defence of its own interests, which has resulted in the creation of a political combination which, down at any rate to the war, was probably the most powerful in the country. The task of combination was greatly facilitated by the development of the tied-house system, until the practical control of the huge business of supplying drink fell into the hands of a comparatively small body of persons.”

- (7) By 1817 a select committee in London was investigating the bad effects of tying. Through the years the main objection to it in England has been the bad result to the purchasers and publican, i.e., the lowered quality of beer and ales, with little choice of brand and the poor return allowed to the vendor. Only occasionally has attention been directed to the increased pressure for sale.

- (8) Dr. Levy has this to say, however, (Drink):

“On balance there can be little doubt that the tied-house system increases the consumption of drink, and this is, after all, just what brewers desire. This does not mean in the least that brewery companies shut their eyes to the evils of excessive drinking and drunkenness, but only that these are undesirable outcomes of their normal activities.”

- (9) The English Commission on Licensing expressed the need for remedial legislation on the ground that the system “spread depression and discontent among license holders; it can make it difficult for them to carry out their obligations under the law;



and, in a word, it can prevent their giving that service to the public which is implied in the very name 'public-house', and which the public are entitled to receive". They could see no justification whatsoever for permitting "tie" to extend to other items such as soft drinks, tobacco, cigarettes, etc.

- (10) The rather pessimistic outlook the English Commission took in its recommendations is justified in the attitude found in Harry Dugdale's **The Management of a Public House**. This practical little manual for licensees issued in 1946 takes for granted the closest "co-operation" for all purposes between brewer and licensee, and we may safely accept this to be a realistic picture of the English system as it exists today.

- (11) The Maxwell Commission in New South Wales (Australia) looked carefully at the evidence concerning the system there, and offered the following observation. (Term 2, para. 47):

"In my opinion, the evidence does not warrant any attempt to abolish the tied house system. Even if it were not so, and I am satisfied that the public interest does not require it, I have no doubt that its abolition would be economically impracticable, a view held in other places for more than 100 years. In my opinion, whilst the abolition of the system is quite impracticable and whilst also it is impossible to suggest that future ties be prohibited, the public interest is best served by ensuring not that there is that form of competition described by one brewery witness as "unbridled and nonsensical," but an active and healthy competition so as to ensure against possible evils from a monopoly. One of the valid claims made in the United Kingdom was that the existence of a large number of strong breweries produced that competition which required the breweries at least in their own interests to cater for the needs of the public; in this way my observation prompts me to express the view that real competition will work to the benefit of the public. In this state that competition should, in my opinion, be ensured by some provision against amalgamation or absorption."

- (12) The New Zealand Royal Commission of 1946 took a quite different stand. (paras. 1740-1741):

"We have already explained that we consider alcoholic liquor differs from the ordinary commodities of trade in that the pushing of its sale is detrimental to the public interest. In our view, the tendency of business to link production with stimulated retail consumption is not properly applicable, in the public interest, to alcoholic liquor.

In our view, the ownership of hotels by brewery companies, or hotel companies which are financially interested in brewery companies, and the operation of these hotels by a licensee-manager for these companies, creates an undue pressure to sell alcoholic liquor. The tenant of these hotels under a weekly, monthly, or even yearly tenancy is in a similar position to a licensee-manager, whether there is any tie under an agreement or not.

In our view, where a hotel is leased for a term of years but is under a tie, there is still a similar pressure to sell alcoholic liquor. In all these cases, where the owner or the lessor is interested in the trade, he expects the returns to be at least kept up regardless of the fact that a natural fall in the sales of alcoholic liquor would be satisfactory when viewed from the point of view of the public interest.

We shall recommend provisions which will involve the abolition of the pressure to sell from brewery companies and hotel companies which are financially interested in brewery companies. These provisions will comprise the acquisition of the breweries by a public Corporation (which we call "The Liquor Manufacture and Sale Board"), and the sale of beer by the Corporation at fixed wholesale and retail prices, just as milk is sold by the Wellington City Corporation."

It is interesting to note the observation here that the effect of brewery investment is the same "whether there is any tie under an agreement or not".

- (13) In pre-prohibition United States, the saloons were, for the most part, tied-houses. These became centers of political activity and of a great deal of political corruption. Efforts to block control legislation and favor the greatest freedom for liquor outlets found powerful support in ward organizations and other political associations whose real headquarters were the saloon. It is difficult to assess the causes which have made "tying" anathema in the States, but it is probably safe to say that this political link was one strong argument against it.

- (14) On the other hand, Fosdick and Scott oppose even the most indirect kind of "tying" purely on grounds of the inevitable direct increase in consumption. ("Toward Liquor Control", pp. 43-44):

"The 'tied house', and every device calculated to place the retail establishment under obligation to a particular distiller or brewer, should be prevented by all available means. 'Tied houses', that is, establishments under contract to sell exclusively the product of one manufacturer were, in many cases, responsible for the bad name of the saloon.

The "tied house" system had all the vices of absentee ownership. The manufacturer knew nothing and cared nothing about the community. All he wanted was increased sales. He saw none of the abuses, and as a non-resident he was beyond local social influence. The "tied house" also involved a multiplicity of outlets, because each manufacturer had to have a sales agency in a given locality. In this respect the system was not unlike that now used in the sale of gasoline, and with the same result: a large excess of sales outlets. Whether or not this is of concern to the public in the case of gasoline, in relation to the liquor problem it is a matter of crucial importance because of its effect in stimulating competition in the retail sale of alcoholic beverage. "Tied houses" should, therefore, be prohibited, and every opportunity for the evasion of this system should, if possible, be foreseen and blocked.

There are many devices used by brewers and distillers to achieve this same end, such as the furnishing of bars, electric signs, refrigerating equipment, the extension of credit, the payment of rebates, the furnishing of warranty bonds when required to guarantee the fulfillment of license conditions and of bail bonds when the dealer is haled into court. A license law should endeavour to prohibit all such relations between the manufacturer and the retailer, difficult though this may be."

This principle of forbidding any ties or financial obligation between suppliers and licensees has been generally accepted throughout the United States in consequence of earlier experience.

"Tying" does not necessarily show bad consequences and it has even been well argued that certain advantages accrue from it. Dr. E. M. Jellinek pointed out, for example, that it is to the brewers' interest to see that any house in which they have an interest should be conducted well and in an orderly manner. On the other hand, the liquor trade is continually on the defensive by its very nature, and when their interests are really threatened it is certain that any place where they have a financial interest will become a center of activity for their protection.

## RECOMMENDATIONS

We find that tied houses within the legally accepted meaning of that term do not presently exist in Manitoba, i.e., brewery owned and controlled hotels are not under written covenant to sell in their beer parlors only the beer manufactured by their parent brewery. We find, however, that direct ownership of hotels by breweries and varying financial relationships between hotels and breweries have become quite common in the Province, since the passage of the 1928 Act, and that such arrangements usually result in monopoly for the interested breweries of all draught beer sales and favored position in bottled beer sales. We believe that this situation is contrary to the public interest. We, therefore, recommend that in future, breweries, distilleries and wineries be forbidden from having any financial relationship whatsoever in any new licensed premises; and that no enlargements of any existing loans or capitalization by such breweries in respect of licensed premises be permitted.

## CHAPTER XXI

### ADVERTISING

#### Instructions to the Commission:

Without limiting in any way the general scope of its enquiry as hereinbefore set out, the Commission be instructed in particular to make findings and recommendations with respect to:

The situation and problems now existing under the Government Liquor Control Act, 1928, and the situation and problems likely to exist under any amended Liquor Act providing any or all of the items under the preceding sections, such as —

the role of advertising in the promotion of liquor sales.

### FINDINGS

#### 1. The Present Law

By Section 154 (3) of the Liquor Control Act, any distiller, brewer, blender, or manufacturer or merchant of liquor, or his or its agents, may publish or display any notice or announcement or advertise about or concerning liquor after having first obtained the written approval of the advertisement by the Liquor Commission, but not otherwise.

#### 2. Administration

- (1) While the present law permits such advertising as may have been approved by the Liquor Commission, we find:
  - (a) that the Liquor Commission has approved no advertising since the war-time prohibition of same by the Dominion Government, 1942-1947;
  - (b) that so-called "institutional advertising" has not been disallowed by the Liquor Commission;
  - (c) that the Liquor Commission considers that "institutional advertising" is not advertising as understood in the Manitoba Liquor Control Act; and
  - (d) that for this reason it has assumed no responsibility for controlling such advertising.
- (2) We find that the Province has no authority with respect to censoring of advertising by radio or television from stations outside the Province — the control of such advertising falling entirely within Dominion and not Provincial jurisdiction.

### 3. Manitoba Opinion

- (1) Strong representations were made for the right to advertise liquor in Manitoba by a group representing the Winnipeg Master Printers and Lithographers Association, Engravers and Electrotypers of Winnipeg, Silk Screen Printers of Winnipeg, Stovel-Advocate Publications Ltd., Canadian Car and Bus Advertising Limited, Multilith and Direct Mail Advertisers of Winnipeg, The Winnipeg Typographical Union, International Brotherhood of Bookbinders, Local 160, Winnipeg Printing Pressmen and Assistants' Union, Local 87.
- (2) This request that advertising be permitted was supported by Winnipeg Printers and Publishers, Swan River Chamber of Commerce, North of 53 Trades and Labor Council, (Flin Flon), The Northern Mail Ltd., Winnipeg Chamber of Commerce, Manitoba Chambers of Commerce, Central French Reservists' Branch of Canadian Legion, Canadian Weekly Newspapers Association.
- (3) Those supporting liquor advertising advanced the argument that, as it is broadly distributed in many publications entering the Province from outside, it is discrimination against Manitoba publications not to allow them to accept liquor advertising.
- (4) It was pointed out by the printing trades that approximately 300,000 copies per month of Canadian and American national magazines which carry liquor advertisements are distributed in Manitoba and that the prohibition of liquor advertising published in Manitoba was a discrimination which affected not only the printing trades but local copywriters, artists, engravers and other skilled craftsmen.
- (5) It was emphasized by those representing the printing trades that the Liquor Act does not prohibit such advertising, but that the present policy is the result of administrative decisions by the Liquor Control Commission. Reference was made to the fact that although the Special Select Committee recommend it, there has been no change in the administrative ban on liquor advertising imposed by the Government Liquor Control Commission.
- (6) It was brought to our attention by the Canadian Weekly Newspaper Association that a clause in Section 72 of the Liquor Act required applicants for liquor licenses to advertise in advance in "daily" newspapers. They requested that the word "daily" be deleted so that the weekly papers would have an opportunity of running such license applications in local papers.

- (7) It was brought to our attention that the Select Special Committee of the Legislature 1952 recommended as follows:

“That newspapers and other publications in the Province of Manitoba be allowed within the limitations set out in that Act, to publish liquor advertising.

Your Committee felt that the variations which presently exist in the different Provinces of Canada respecting liquor advertising create an unsatisfactory situation. Your Committee therefore recommends:

That the whole question of liquor advertising be referred to a conference of a national character with the object of securing some uniformity of restrictions throughout the whole of Canada.”

- (8) The proposal to allow liquor advertising was opposed by certain churches, the temperance organizations, the Manitoba Federation of Agriculture, the provincial and local Women's Institutes, and several different community organizations.
- (9) Those opposed to advertising represented that its chief purpose was to stimulate an increase in sales and that this would inevitably result in increased abuses and an increase in the number of drinkers. Liquor advertising was considered by these groups to be undesirable, particularly because of its effect upon youth. They maintained that it tended to enhance the use of liquor as a social custom and that young people tended to copy the customs that advertising extolls.
- (10) Some criticism was directed toward the more subtle forms of advertising often used by alcoholic beverage manufacturers. Such indirect publicity methods as financial support of the arts, scholarships, malting barley contests, charitable donations, nature lore pictures, and sports sponsorships, which are paid for or endorsed by liquor interests for advertising purposes, were looked upon with disfavor by the representatives of certain of the groups appearing before us.
- (11) There was some objection taken, particularly by church groups, to what they termed indirect advertising through the media of drinking scenes in movies and television and illustrated magazines. In this connection it was pointed out that at the present time there is legal provision for censoring pictures and that the remedy for this situation lies in the hands of the Censor Board.
- (12) It was emphasized that advertising takes different forms, and that a study of it should include all types of advertising including: newspapers, television, radio, direct mail, magazines, billboards, samples, consumer advertising specialties, transportation car cards, and retail advertising specialties. It was represented that any policy of curtailing advertising would not be complete unless it also included sales promotional activities by agents.

- (13) It was brought to our attention that Section 1541 (A) of the present law denies the right of agents to promote liquor sales. It was pointed out that if this clause is not enforced such lack of enforcement would produce the same effect as liquor advertising.
- (14) It was felt by some that certain "prestige" and related types of advertising constitute an emotional appeal rather than a factual technical appeal, and that all ads whether approved or not were likely to increase consumption.
- (15) Judging by the representations made it would appear that the majority of those opposed to the expansion of liquor outlets and the increase of consumption were also opposed to advertising alcoholic beverages.
- (16) The daily newspapers made no representation on the subject, nor did the brewery or distilling industries, and no estimate of the amount of money that might be expended on liquor advertising was presented to us.

#### 4. Summary of Liquor Advertising in Other Provinces:

NEWFOUNDLAND — There are no regulations in this Province governing the advertising of liquor products. The only stipulation is that the words "Not inserted by the Board of Liquor Control" must appear in all ads in newspapers or periodicals.

PRINCE EDWARD ISLAND — No liquor advertising is allowed in this Province.

NOVA SCOTIA — Liquor advertising is not allowed "unless authorized by the Liquor Commission". In practice only service advertisements are allowed such as notices of hours of sale or return of empties, and no "institutional" or regular liquor advertisements are permitted.

NEW BRUNSWICK — No brand advertising of any kind is permitted. The policy of the Board is to authorize only so-called goodwill advertising.

#### QUEBEC — DISTILLERS

- (a) Product or brand advertising may be used, but space must be limited to 150 lines in a newspaper. Labels and trademarks may be used but no bottles, glasses or drinking scenes may be shown.
- (b) "Institutional" and magazine advertising is allowed.

## QUEBEC — BREWERY

- (a) Product or brand advertising may be used but space must be limited to 200 lines in a newspaper.
- (b) "Institutional" advertising allowed in newspapers and magazines.

ONTARIO — The Liquor Control Board of Ontario will allow firms of the distilling, brewing and wine producing industries to publish and circulate advertisements of a public service or institutional nature. Before any advertisement may be printed and circulated, it must be submitted to the Liquor Control Board for approval. Upon such approval having been obtained, the advertisement may appear in newspapers, periodicals and the inside cards of street cars and buses.

MANITOBA — Newspapers and magazines — institutional type only, with approval of Liquor Control Commission. Radio, posters, billboards — none allowed, except in respect of brewery licensees on brewery licensed premises.

SASKATCHEWAN — Advertising of liquor is strictly prohibited.

ALBERTA — Advertising with respect to alcoholic liquors is prohibited in this Province.

BRITISH COLUMBIA — No person shall publish or display any advertisement in respect of Liquor unless it has been approved by the Liquor Control Board. All copy must be submitted by the manufacturer and not by his agents or by publishers to the Liquor Control Board for approval. Such advertising may appear in bona fide newspapers and periodicals. Advertising is not permitted on signs, etc., except in the case of Government Liquor Stores.

## 5. State Laws (U.S.)

- (1) We find that in general (a) there is not a great deal of interference by law with respect to liquor advertising; (b) that in the monopoly states there appear to be more regulations than in the licensed states; (c) that efforts are now being made to secure national legislation to effect further control of liquor advertising through the Inter-State Commerce Commission.
- (2) In the United States the Distilled Spirits Institute, representing most domestic distillers, has been instrumental in the establishment of an advertising code. This endeavors to restrain distillers from advertising on the radio or television, from using illustra-



tions of women in advertising, from advertising in Sunday newspapers, and from the use of billboards in the vicinity of military or naval reservations. American brewers do not appear to have adopted such a code and generally use such of the advertising media as are allowed by the various state laws.

- (3) Distilled Spirit Institute estimates that a total of \$82,024,835 was spent on advertisement of spiritous liquors in the U.S.A. for the year 1953.
- (4) The amount said to have been spent on beer advertising in the U.S.A. in major advertising media, radio, T.V., magazines, newspapers and outdoor signs for the year 1953 totalled \$49,067,042. (Source: United States Brewers Foundation.)
- (5) The State of Washington found de-listing an effective method of advertising control. The suggestion was made that refusal to buy from manufacturers who violate liquor advertising restrictions might be an effective control.

## 6. Opinions from Specialists, Consultants and Others

- (1) Prof. Robt. Hallstead — in his report on the Yale Summer School of Alcohol Studies.

This was a question widely discussed out of grave concern among the students. I regret to say that I found faculty dealing with it distressingly unsatisfactory; since its effects have not yet been scientifically determined, they were unwilling to commit themselves beyond the most obvious facts. Others shared with me a feeling of annoyance which they expressed that so important a subject should be so "delicately" treated. I can report however, with pleasure that there is on foot an effort to bring the whole matter to the Congress of the United States and place it under the control of the Interstate Commerce Commission for rigid restriction. It was felt that this was likely to be an immediately successful move, and most students felt that it would be one of the most urgent liquor questions for national concern in the next few years.

Most States have very little if any control over advertising and felt that we were in a fortunate position and one that we should by all means retain. All over the States, where there is effort to do anything about advertising, it is likely to be a struggle against the shocking excesses, especially in TV. Since such vigorous effort is necessary to push back gross excess, it is most imperative to prevent beginnings where broad controls exist at present.

Several students with whom I talked pointed out that government educational efforts in periodicals and newspapers were obvious sources of income to replace loss in the surrender of the lucrative liquor advertising.

I heard numerous discussions of advertising as merely competitive, but nothing that was said convinced me that "prestige advertising" did not tend to increase drinking and the serving of drinks.

(2) Prof. R. C. Bellan — Economic Consultant.

Broadly speaking, advertising may serve three main functions: firstly, it may increase the total demand for a product by attracting persons who were previously not purchasers; secondly, it may increase the demand for the products of a particular firm by persuading the buying public that its products are somehow preferable to the similar products of competitors; thirdly, it may maintain the demand for the products of a particular firm in the face of aggressive selling pressure by competitors.

Advertising methods may be generally classified into two main categories:— informational and impressionistic. Informational advertising presents facts concerning the quality and price of the product, so that the individual who is considering how to spend his money will rationally decide to purchase the goods being advertised. Impressionistic advertising on the other hand provides few if any facts regarding the nature of the product. It seeks to present the product in a favourable light, using words or pictures to convey the impression that the purchaser will derive great satisfaction from his purchase.

The structure of our corporation taxes strongly encourages heavy expenditures on advertising by large and profitable firms. Such expenditures are considered to be legitimate business expenses, which a firm may deduct from its taxable income; hence typically of the money which a firm spends on advertising, it might have paid 50 or 60% to the government in corporation income tax. The real cost to the firm of the advertising is therefore half or less of the amount actually expended. In good times, when large profits are being earned, advertising expenditures tend generally to be heavy, as firms seek to build up strong consumer preferences at relatively low real cost to themselves.

It is by no means certain that relaxation of the present regulations would lead to a substantial increase in advertising by liquor interests in Manitoba publications. In fact the regulating authorities report that they have received no important request from liquor firms for a relaxation of the present restrictions.

(3) Dr. Jellinek — Alcohol Consultant World Health Organization

(Dr. Jellinek) If you allow advertising you can just as well give up the idea of a monopoly, the two things don't go together. The fact that you get some advertising from Quebec or over the radio is not a potent argument against a ban on advertising. It is not compatible with the idea of a monopoly because monopoly aims to limit sales incentive, and advertising aims at the opposite.

(Mr. Bracken) Doctor, for your information, the law here does not prohibit advertising. It leaves the question of approval of advertising to the control authority. During the war, the Dominion Government prohibited advertising, and the Province has not allowed any since.

(Dr. Jellinek) I don't think it should be encouraged.

(Mr. Bracken) The liquor commission disavows all advertising but this so called "institutional advertising" is not considered by them as liquor advertising.

(Dr. Jellinek) What is it then? All right, they have a picture of wild life and the name of the brewery, is he advertising wild life?

(Mr. Bracken) Then you would put it in the same category as other advertising?

(Dr. Jellinek) It is not advertising wild life.

(4) The British Royal Commission on Licensing 1929-31 report:

It has been suggested, and we believe it to be the case, that the effect of (the extensive advertisement of alcoholic beverages) is definitely to increase, or, at least, to check the diminution of, the total amount of intoxicants consumed. We are unable to accept the contention that the effect is merely to transfer demand from unadvertised to advertised beverages. That, admittedly, is one of the results, but all advertising experience establishes that the advertisement of goods of any particular brand tends to swell the total demand for all goods of that kind. Support for this view may be found in the strong advocacy by leading Trade Journals of bulk advertisement of intoxicants.

There seems to be reason to think that considerable numbers of liquor advertisements are designed to attract the rising generation.

(5) Fosdick and Scott — from "Toward Liquor Control".\*

(a) Advertising should, where possible, be rigidly restricted or forbidden.

The problem cannot be solved entirely by legislation, since subtle and inferential advertising may meet the letter but not the spirit of the law. The radio and nationally circulated publications are also beyond complete state control. Nonetheless, each state should outline its liquor advertising code. These codes should be as nearly uniform as possible so that advertisers may readily conform. With this in mind, we suggest as a basis for discussion some such program as the following:

1. Newspaper and magazine advertising to contain nothing beyond the name, the address, the date of incorporation of a manufacturer or dealer, a coat of arms or trade-mark, and a description in the simplest terms of the article or articles dealt in, such as "Kentucky Rye Whisky", or "Cointreau", or "Italian Vermouth".
2. All additional advertising matter, including slogans, to be prohibited except on approval of the state licensing board.
3. All outdoor advertising, except on the premises where sold or manufactured, to be prohibited. All outdoor electric or projecting signs to be further regulated by local fire zoning and sign legislation. Content of advertising to be under the same restrictions as newspaper and magazine advertising.
4. All advertising matter attached to vehicles owned by manufacturers, distributors and dealers to be subject to the same restrictions as publication advertising.
5. All advertising through the use of calendars, pencils, golf balls, thermometers, free samples, cut-rate sales, etc., to be prohibited.
6. Radio advertising to be subject to the general rules outlined for publications.

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\*A study prepared under the editorial direction of Raymond B. Fosdick and Albert L. Scott, embodying the results of an extensive study by some fifteen persons broadly representative of the business, professional, industrial and university life of the United States. This book was published in 1933 to provide guidance for States in setting up liquor control systems after the repeal of prohibition in the United States.

The penalties to be provided by law should be moderate, particularly during the first few years while definite standards are being determined. No restrictions should be imposed upon the advertising of 3.2 percent beer. The restrictions as a whole should apply not alone to the advertisers, but also to the advertising media, in order to reach the problem of indirect liquor advertising by ginger-ale companies, refrigerator companies and others who sell accessories.

We believe that such a code will be sufficiently elastic to meet the legitimate demand of the trade and at the same time to permit of enforcement. Undoubtedly, the most serious objections to these restrictions will come not from the liquor dealers themselves, but from the advertising agencies, the bill-board and electric sign companies and even from some newspapers and magazines. These groups should realize, however, that unless reasonable restrictions are willingly accepted, there will undoubtedly be in the near future a complete prohibition of all kinds of liquor advertising, with extensive federal legislation as well as state codes.

(b) Advertising artificially stimulates the demand for alcoholic beverages. Though beer has been legalized only a short time and spirits are not yet legal, we are already overwhelmed with the skillful, persistent liquor advertisements of the modern sales psychologist. This is but a foretaste of what is ahead of us. All this is inconsistent with any idea of restricting the sale of liquor to an unstimulated demand. Although we have made a number of suggestions in the previous chapter, it is frankly difficult to see how in the long run such advertising can be definitely eliminated by state law under the license system. There are too many loopholes, too many national journals and broadcasting stations. Under the Authority plan, the opportunity for control of advertising is far greater. Indeed it could be practically eliminated if the public interest so demanded. In any event, the Authority could draft an advertising code and force the acceptance, either through refusal to buy from manufacturers who violated it or through a selective increase in the retail price of the products of an offender.

(6) Prof. Hermann Levy in "Drink", pp. 206-207:

Viscount Astor was indeed right when he stated emphatically that 'the drink trade differs from practically every other business which provides articles of consumption. It is to the interest of the community to increase and stimulate the consumption of milk, bread, etc. It is not to the interest of a community to stimulate and increase to the maximum the consumption of alcohol — particularly the stronger drinks.'

Sometimes, though with a somewhat different emphasis, the same point has been stressed by brewing trade interests. Thus the *Brewers' Gazette* once wrote: 'Anyone may sell general provisions, anyone may vend greengrocery, under conditions which he is almost at liberty to determine for himself, and if the sale of alcohol were as innocuous as that of biscuits or oranges, similar liberties would obtain for the licensed victualler as for the retailers of other commodities. It is axiomatic that it is because of the potentiality of drunkenness — that unfortunately is a corollary to the sale of alcohol — that restriction exists'. (See *Brewers' Gazette*, 25th September, 1913).

We may add that drunkenness is not the only kind of objectionable excess. 'Excess' may also be viewed and deplored from the angle of the impact on working class budgets. While, therefore, other trades are constantly stimulated to increase turnover, and any of their technical or commercial improvements welcomed as the means to increase sales further, the same achievements by the trade in alcoholic liquor encounter the opposition of all of those who oppose the further increase in the consumption of drink for social and economic reasons. **A trade does not exist immediately for purposes of social and economic welfare, but often its own interests and those of welfare coincide. In the case of drink, an increase in welfare means a reduction in the scope of the trade; indeed, as we have seen a vast amount of legislation and a continuous and successful effort on the part of administrators and voluntary organizations has been effectively at work to bring about just such a reduction. Between them and the commercial interests of the producers and retailers of alcoholic liquor there is a direct, head-on conflict of attitude and action.**

- (7) Prof. Hermann Levy in "Drink" (pp. 228-230):

The whole policy of drink advertising can be severely criticized. As to its general implications it can be plainly said that no public advantage is secured by stimulating further the consumption of drink. It is excessive as it is. Greater consumption may perhaps be in the immediate interest of the Exchequer, but we have already noted that this interest does not seem to conform to the general aims of social policy. This point should be kept in mind in connection with Miss Rankin's observation that the Brewer's Society 'undertakes the advertising of beer in general in order to keep the product before the community' and make known the extent to which the Exchequer benefits from its taxation' — hence the injunction, "Drink more Beer" and such flashes of alliterative insight as "Beer is Best". On this general score, the Amulree Report left no doubt that it considered the volume of advertising, the 'flow of advertisement', with 'some alarm'.

Exactly the same applies to many drink advertisements. 'Many advertisements', emphasized the Amulree Report, 'contain statements which amount to palpable untruths'. (See Amulree Report, para. 736). We saw in the first chapter that such 'untruth' must be contained in any assertion that alcohol is good for people's health: the best that might be said for it is that it is not harmful to some people, or generally when taken in small doses; and it may lead immediately to manslaughter when taken even in a small quantity by a motorist; and even if taken only in small quantities, but day by day, it may lead to secondary poverty. Yet drink may be consumed in the belief, created by advertisement, that it improves the worker's performance, that it gives more strength, that it prevents colds and even cures some sorts of sickness, despite the fact that all such suggestions are notoriously the opposite of what medical science and modern physiotherapy have to say on the matter. Even the food value of drink is negligible, though the urge of this factor is less harmful than the exaltation of the medical qualities of alcoholic drink.

## 7. General Observations

1. We found that there is no uniformity between provinces relating to liquor advertising; and that Manitoba's control applies only to such publications as are printed in this province.
2. We found a sharp distinction between the theoretical and the practical arguments presented. On the one hand, it was argued that advertising was for the promotion of sales, that promotion increases drinking, that increased drinking is against the common good and that, therefore, we should ban advertising. On the practical side, it was pointed out that any local ban is voided by advertising coming in to Manitoba by T.V., radio, magazines and so on from other provinces and the United States, that as a consequence the only ones affected were the printers through loss of local revenue.
3. With the extensive advertising reaching Manitoba through publications printed outside the Province, it seemed to us that local advertising of a nature that would meet the approval of the Liquor Control Commission might merely offend the "Dries" and provide some revenue to the publishers. Practically no one other than those interested in the revenue from advertising and those who were hostile to anything that might increase consumption of liquor appeared to take any interest in the question. The suggestion was made that the publishers might be given compensating revenue for educational advertising sponsored by the Liquor Commission and that if this were done the chief reason supporting liquor advertising would disappear.

4. It was represented to us that since the regulating authorities would almost certainly prohibit any liquor advertising which sought to induce persons to drink who otherwise might not have done so, that liquor advertising in practice would only aim to secure consumer preference for one brand as opposed to others. The obvious possibility is that were one firm to embark on an aggressive advertising campaign, the other firms would presumably counter by defensive advertising. One might suspect, therefore, that the member firms of such an industry are not altogether ungrateful for restrictions which ensure that no individual firm can launch an advertising campaign which would have the ultimate effect of forcing all firms to increase their advertising expenditures.
5. The Enquiry Commission made the recommendations which follow, not on the basis alone of the arguments pro and con as above set out, but because the members felt it to be wholly inconsistent to recommend the expenditure of money on the rehabilitation of alcoholics, more law enforcement, the promotion of temperance education, and the prevention of excessive drinking, — and at the same time approve the stimulation of sales of the alcoholic beverages, which give rise to the necessity of these expenditures. It is one thing to allow what the majority of the people want; it is quite another thing to stimulate the sale of a commodity which puts upon society the burden of correcting the various consequences of its use.

## RECOMMENDATIONS

1. That no advertising of liquor be permitted under any new legislation except such signs on brewery, distillery, or winery premises or on licensed premises as may be permitted by the G. L. C. Commission.
2. That institutional advertising by manufacturers or vendors of liquor be not permitted.
3. That the provincial government undertake a broad program of education concerning alcohol and related problems; and that, in view of the inequity placed upon local publishers by the denial of liquor advertising, the government utilize local newspapers and magazines in this undertaking and pay them for this service.
4. That the Province of Manitoba ask the Dominion Government to convene a conference of all provinces with a view to the establishing of a national code of liquor advertising for the purpose of encouraging uniform restriction throughout Canada.
5. That the discrimination against weekly newspapers brought about by the present requirement in Section 72 (1) (d) for advertisements of applications for beer licenses be abolished by removing the word "daily" from the requirement that such advertisements be carried "in a daily newspaper . . .".



## CHAPTER XXII

### SOCIAL WELFARE COSTS OF BEVERAGE ALCOHOL TO THE ECONOMY AND SOCIETY

#### Instructions to the Commission:

Without limiting in any way the general scope of its enquiry as hereinbefore set out, the Commission be instructed in particular to make findings and recommendations with respect to:

The situation and problems now existing under the Government Liquor Control Act, 1928, and the situation and problems likely to exist under any amended Liquor Act providing any or all of the items under the preceding sections such as —

the social welfare costs of human consumption of beverage alcohol to our economy and society.

#### Interpretation

We do not interpret the phrase "Social Welfare Costs" to mean the figures which may or may not be available through various Governmental agencies which come under this or related headings. We take this term to mean the costs to society direct and indirect, arising as the consequences of the consumption of liquor.

### FINDINGS

#### 1. The Present Situation

- (1) We find there is no law with respect to the keeping of social welfare costs, and that there is no branch of the public service, Provincial, Municipal or Federal, which has ever prepared careful estimates of what they might be.
- (2) It is difficult to find provisions of the Act which are connected with the question of social welfare, except with regard to drunkenness and interdiction. Sections 155-162 deal with the procedure for interdicting any person who, by excessive drinking of liquor, mispends, wastes or lessens his estate, or injures his health or interrupts the peace and happiness of his family. An order of interdiction can be made against a person by any magistrate, the Government Liquor Control Commission, the Chief Inspector, the Commission or the Chief Constable of any municipal police force. Such an order prohibits the sale of liquor to the interdict and cancels his liquor permit until revoked. Fines are provided for an interdict who takes liquor and for anyone supplying liquor to him.

- (3) The Act takes cognizance of death caused by intoxication in Sec. 311. Where a person dies as a result of an accident brought about by his intoxication, the person who supplied the liquor to the deceased is liable to an action under the Fatal Accidents Act and the damages recoverable are not less than \$100 and not more than \$1,500.

## 2. Administration

- (1) We have been unable to get any official estimate or any scientific analysis apportioning any specific part of the cost of Government services to alcohol.

## 3. Manitoba Opinion

- (1) Serious concern regarding the costs to society arising from the misuses of alcoholic beverages was expressed by many of those who appeared before the Commission.
- (2) Several groups suggested that when the annual profits of the Government Liquor Control Commission are announced, there should be as well a statement of the social costs to society arising from alcohol consumption.
- (3) An opinion regarding liquor profits compared to social costs was expressed in one brief as follows:

“We are strongly of the opinion that so-called profits accruing to the Government from the sale of liquor are largely non-existent when the cost of law enforcement, upkeep of prisons and penitentiaries and the loss of manpower in industry due to the use of alcoholic beverages is considered.”
- (4) It was stated to the Commission on different occasions that although no one knew the actual figures of the costs to society arising from the abuse of liquor, they were generally thought to be tremendously high. The Commission was therefore urged to endeavor to obtain some such information.
- (5) Some of the anti-social results arising from the abuse of alcoholic beverages were indicated. Among the factors said to be a burden to society were the following:

Alcoholism  
Crime  
Juvenile delinquency  
Child desertion  
Marriage break-ups

Unmarried mothers  
 Drunken driving  
 Absenteeism  
 Physical and mental disorders  
 Lowering of moral standards  
 Size of the liquor bill

What proportion of the cost of most of these was attributable to alcohol no one knew — and very few people have made an unprejudiced attempt to find out.

- (6) It was apparent in some statistics presented to us that a wrong impression was being left by the figures quoted; for example, it has been said that \$832,000,000 was spent in Canada on alcoholic beverages in 1952. That figure is no doubt approximately correct but it makes the burden to society, large as it is, appear even greater. The liquor trade, including brewers, distillers and private retail distributors did not receive all that money. Consumers paid that much but the trade — brewers and distillers — got only 38% of it or \$314,000,000, the retailers 18% or \$150,000,000, while the remaining 44% of it or \$368,000,00, was turned over to the Federal and Provincial Governments thereby lessening taxes.

**Estimated Distribution of Moneys Spent on  
 Liquor in Canada, Year ending March 31, 1953.**

| <u>Received by</u>                                                                 | <u>Amount</u>        | <u>Percentage<br/>of Total</u> |
|------------------------------------------------------------------------------------|----------------------|--------------------------------|
| Gross Profits of Provincial<br>and Territorial Liquor Control<br>Authorities ..... | \$185,000,000        | 22%                            |
| Federal Government Revenue .....                                                   | 229,000,000*         | 27%                            |
| Retail Distributors .....                                                          | 150,000,000          | 18%                            |
| Brewers and Distillers .....                                                       | 268,000,000          | 33%                            |
|                                                                                    | <u>\$832,000,000</u> | <u>100%</u>                    |

\*Includes \$183 million customs and excise and \$46 million sales tax.

- (7) A number of opinions expressed the view that as the social costs of the abuse of alcohol were already so high there should be no relaxation of present liquor laws; and that any changes made should aim at a reduction in consumption rather than an increase of outlets as has been proposed.
- (8) Representatives from the Winnipeg Juvenile and Family Court stated that, although they had no statistics showing the contribution of liquor to the delinquency of children, it was their opinion that it had been a large factor in many cases. In a study of Winnipeg Family Court files covering a three months period during

which there were 56 marriage separation cases, it was found that liquor was a factor in 25 of these cases, and, in 17 of the 25, it was reported the major cause of the family break-up.

- (9) A brief presented by the Family Bureau of Winnipeg reported that in a careful study of 384 cases with which they dealt during three consecutive months in 1954, it was clearly indicated that there was a need for a broad preventative and educational program "focusing not merely upon excessive drinking but rather upon how families can live more healthily and happily together". The extent to which drinking entered into family problems was demonstrated by its presence in more than one-quarter of the cases studied, and its excessive or abnormal use in 20.5% of the total group of 384 cases.
- (10) The Canadian Association of Social Welfare Workers stated that although alcohol is often associated with social breakdowns, it is not necessarily the cause. They recognized the seriousness of the alcohol problem in many social welfare cases and strongly recommended an increase in treatment facilities for excessive drinkers and an intensified program of rehabilitation.

#### **4. Opinion of Specialists — Summary by Prof. R. N. Hallstead**

It would be useful and exceedingly valuable if it were possible to give an exact statement of the costs to society of the use of alcoholic beverages. Certain factors, however, block the most earnest effort to determine such costs accurately. A consideration of these factors, however, throws a great deal of light upon it as well as upon the difficulties that surround the whole problem of liquor control. When is alcohol the cause of socially undesirable results, and when are these "results" actually the cause of the drinking? Every reputable student of the alcohol problem for the last hundred and fifty years has pointed out that bad working conditions, bad housing, and poverty tend to increase drinking. The popular mind, on the other hand, has often interpreted these conditions to be the result of drinking. It is obvious that all things a man may do after taking a drink are not caused by the fact of the drink yet if what he does is bad, the tendency is to blame the drinking. Marital tensions, criminal character, emotional and mental instability often cause drinking, but this fact seems to be forgotten when it is so easy to conclude that drinking causes all marital tensions, criminal character, and mental and emotional instability.

Again, in the case of criminal behavior, drinking may merely produce the state of mind or emotional state which leads to an act, or release inhibitions so that the act becomes possible; that is, alcohol

may be definitely contributory without being the entire cause. A very careful effort, then, is necessary to determine the precise role alcohol plays in any situation in which it is involved. This observation is made only to suggest that the problem must be considered in a manner that is neither biased, unscientific nor naive.

Bias on the part of those reporting matters involving alcohol has produced a great deal of inaccuracy and unreliability in statistics on the alcohol problem. Violence, crime, marital disruption, or mental illness may be attributed entirely to alcohol by a reporter with strong anti-alcohol sentiment. On the other hand alcohol as a factor may not be mentioned at all if the reporter is of "wet" inclination. What is more, the involvement of alcohol in a death or a suicide may not be mentioned at all in a report, out of consideration for family or because of the social or political position of the person involved.

It is also likely that in certain cases the causal effect of alcohol is simply not recognized; or, if alcohol is recognized as a factor, the reporter may not be certain whether it is the primary cause or merely a contributory factor. In the statistical reporting of many crimes, there is no assurance that the part alcohol plays is properly noted.

It is to be hoped that in the future some reliable method of recording this factor may be found. At present, we have only the impressions of jurists and penologists as to the portion of crimes and anti-social acts in which alcohol is involved. Statements by such men as to the part alcohol plays range from something like fifteen percent to ninety-five percent.

The following picture of the social costs of the use of alcohol, then, is what we believe to be a reasonable estimate rather than an absolute statement. We do, however, support completely the long and widely held view that the cost of the consumption of alcohol to our society is large enough to shock us out of any sense of complacency about it.

When any Government places controls on the sale and consumption of alcoholic beverages, it gives recognition to the fact that the use of alcohol produces undesirable social consequences. Except for tax for revenue purpose and some protection of consumer interests, all government regulation is for the purpose of preventing or reducing the social costs of the consumption of alcohol. A most exhaustive effort to achieve an approximation of such costs was made in the United States. It was then determined that the cost arising from the use of alcohol "including medical and hospital treatment for alcoholics, losses resulting from accidents and property damage, maintenance of courts and jails, support of dependents of inebriates, and potential wage losses" was approximately \$1,168,354,750 for the year of 1946 (Mc-

Carthy and Douglas, p. 53). This, of course, takes no account of the heartbreak, disruption of lives, and the actual deaths caused by alcohol.

If the Manitoba situation were proportional for our population, to that in the United States, our costs would be approximately six and one-half million annually. But these figures are for nine years ago. The costs would be higher now. Whatever the figure may be the social cost to Manitoba, if it could be accurately determined, would be such as to more than warrant the concern the Government and people have shown for the problem. Dr. Jellinek refused to be tied down to any estimate, but indicated generally that any Government profits coming from liquor were probably offset by its social costs. Since the latter cannot be accurately determined, the following discussion will indicate in outline where such costs lie, and whenever possible estimate what they may be.

Costs due to alcoholism — One of the most conspicuous results of the use of alcoholic beverages is the disease alcoholism. This disease and the care of those who suffer from it are discussed at length in another part of this Report. It should be noted here however that, while there is considerable uncertainty as to the amount of alcoholism in this Province, all figures suggest that it is a major problem; that it has been scarcely touched by way of remedy and that here as elsewhere on the continent, it is one of the four major public health problems.

The following figures concerning hospitalization and costs give an indication of what the disease costs the Province directly at present:

| Patient Diagnosis                                                              | Mental<br>Hospital<br>Brandon | Mental<br>Hospital<br>Selkirk | Psychopathic<br>Hospital<br>Winnipeg |
|--------------------------------------------------------------------------------|-------------------------------|-------------------------------|--------------------------------------|
| Alcoholic .....                                                                | 3                             | 6                             | 54                                   |
| Alcoholic with psychosis .....                                                 | 5                             | 2                             | 14                                   |
| Total .....                                                                    | 8                             | 8                             | 68                                   |
| Total days spent in hospital ..                                                | 1,285                         | 1,208                         |                                      |
| Cost .....                                                                     | \$2,570                       | \$2,609                       | \$20,294                             |
| Additional cases with alcohol<br>a factor in the history of<br>psychosis ..... | 16                            | 6                             |                                      |

The cost for Psychopathic Hospital, Winnipeg, includes treatment of 45 outpatients, who are not included in the figures given above. Since we have 10,000 alcoholics, one quarter of whom are chronic alcoholics, the potential cost of the treatment of those who accept or need it, is a very large figure.

It should be observed that alcoholism is like the iceberg; the above figures represent merely the conspicuously visible part of the costs! Below the surface and invisible is much the largest part of the problem. There it remains, concealed by family, friends and society until such time as the painful acuteness of the problem causes it to erupt as a public fact.

Another cost of alcoholism is absenteeism. The Dominion Bureau of Statistics estimates the average daily wages of Manitobans to be \$11.40. It is estimated that an alcoholic (and Manitoba has 10,000) loses 22 work days each year **from the acute effects of alcohol alone**, (Henderson & Bacon: "Problem Drinkers in Industry", Q.J.S.A., Vol. 14, P. 250) and it can be safely said that the alcoholic, whatever position he occupies, is disabled and worthless to his employer for at least this amount of time. This means that the absenteeism of alcoholics alone caused a loss of \$2,508,000 income last year. This must be at least doubled even to approach all absenteeism due to alcohol, bringing the total to \$5,016,000 for 1954. Since a worker might not be employed at a particular time; since the employer might pay salary in spite of absence; and since, in any case, the exact nature of the loss involved in absenteeism is impossible to determine, this item is best considered "potential loss". But even a "potential loss" of over three million dollars a year to our society is a serious charge against the widespread abuse of alcoholic beverages. Intoxication — A portion of the absenteeism discussed is the consequence of occasional excess in drinking in persons who are not alcoholics.

Another common result of such excess is public intoxication. Chief Constable Taft made a study of the arrests for the month of November, 1954, for this Commission, and reported that there were 196 arrests for common drunkenness and 103 other arrests in which liquor played a part (disorderly conduct, vagrancy, etc.) of a total of 8,781 cases before the court. Chief Taft observed in a letter to us that "For some unknown reason the arrests for Common Drunkenness (196) are about double the average, and other figures are higher than normal". A study of the Annual Report of the Chief Constable, for the Year 1953, indicates that this is correct. This proportion of arrests for intoxication and its consequence is exceedingly low; and it is not entirely explained by the fact that Winnipeg police often do not interfere unless the drunk "creates trouble" (The Winnipeg Tribune Weekend Magazine, November 27, 1954, p. 7), or drunkenness exposes him to danger.

Crime — More serious crime than mere intoxication is associated with occasional excess. For reasons already stated, it is impossible to determine exactly what part alcohol plays in crime. J. M.

Howell of the Washington (State) Temperance Association informed us:

The Warden of Walla Walla penitentiary says 95% of the people who populate his institution would not be there were it not for liquor. The man in charge of the reformatory for boys says that not less than 80% of those under his charge are there because of liquor.

Contrasted with such large figures are those gathered in New York State Sing Sing Prison:

An investigation was undertaken of 3,135 offenders committed to Sing Sing Prison in the 2-year period 1938 to 1940. The prisoners were classified as inebriates and non-inebriates. The classification "inebriate" was based on statements by impartial observers, or admissions to a general hospital for an alcoholic disease, or admission to a state hospital for an alcoholic mental disorder. Of 3,135 prisoners, 697 or 22 percent, were found to be inebriates. In the first year of the period the proportion of inebriates was around 24 per cent, and in the second year around 21 per cent. Allowing for random variations, one may say roughly that in a prison population such as that of Sing Sing, the incidence of inebriety would be around 25 per cent. On the basis of proper standards one thus arrives at a much lower estimate of the contribution of inebriety to crime than the usual estimate of 60 per cent based on the indiscriminate use of data.

Ralph Banay "Alcohol and Aggression"  
Alcohol, Science, and Society, p. 147

Of the above figures it must be observed that it cannot be assumed that simply because the person was an inebriate, alcohol was the cause of crime. The criminal personality is regularly given to excess in most matters, and drinking, gambling, and sexual promiscuity are acceptable conduct in this segment of society. For the criminal to abstain would be very exceptional, but it is not necessarily true that drinking is a causative factor in the picture.

One whole group of crimes and misdemeanours is attributable solely to alcohol; this comprises violations of the various liquor control laws. Many of these will remain permanently criminal acts such as illegal distilling which must be prohibited both in the public interest and to protect Government revenues. On the other hand, many of these violations would disappear with revision of liquor laws. Some 1,430 of 3,702 violations of Manitoba's Liquor Act in 1954 were violations of permit regulations, which would cease if permits were not required.



A serious group of liquor offenders is the repeaters. Judge F. A. E. Hamilton, in connection with the presentation of the brief from Crescent-Fort Rouge United Church told us the following story of one man:

September — drunk on the street, \$10 or ten days.  
October — drunk in a public place, \$5 or seven days.  
November — drunk in a public place, \$10 or ten days.  
December — drunk on the street, \$10 or 14 days.  
December 27, two weeks later — drunk on the street, reprimanded.  
December again — vagrancy, two month in jail.  
May — drunk on the street, \$10 or ten days.  
June — drunk on the street, \$3 or ten days.  
August — vagrancy, 6 months, warrant held.  
August 21 — drunk on the street, reprimanded.  
January — drunk on the street, \$10 or ten days.  
February — drunk on the street, \$10 or ten days.  
June 3 — drunk on the street, reprimanded.  
June 4 — vagrancy, 3 months in jail.  
November — breach of Liquor Act.  
December — breach of Liquor Act.

This man and others like him, are a serious financial burden to the community.

Family Disruption: Even more costly to our society, perhaps, than the crimes caused directly by alcohol is the disruption of family life which it causes. The excessive drinker in a family group is a cause of great grief and disturbance as well as decreased social efficiency among those concerned. In prolonged and acute cases, the drinker creates such serious disturbance as to produce anti-social action on the part of others, particularly the young.

The Family Bureau of Winnipeg, from a study of their case history files presented the following conclusions in their report to the Commission:

The study confirms that the wife as well as the excessive drinker needs help.

There is a need in the community for extended medical and psychiatric treatment facilities to which excessive drinkers could be referred and with which the agency could work in cooperation. There is a need for a change in community attitude towards all for whom drinking is a problem.

There is a need for a broad preventative and educational programme focusing not merely upon excessive drinking but rather upon how families can live more healthily and happily together.

Excessive expenditure on alcohol: To some strong temperance thinkers all money spent on alcoholic beverages is considered a social loss. As to how much of it should be considered an economic loss there is no unanimity of view. It is enough here to say that nearly 2/3 of the adult population of Manitoba drinks and no doubt consider it an acceptable practice. On the other hand, it should be noted that too great a proportion of income spent on alcohol is a serious matter. In the case of many families and individuals, it is evident that far too much is spent for liquor. It has been suggested to this Commission that in many cases in middle class homes social pressure causes a larger expenditure for drink than is wise or is desired.

Most serious is the disproportionate expenditure for drink in the lower income groups. This is of two kinds. First there are certain families and individuals who spend money for drink when the income is inadequate for the necessities of life. These cases are probably the exception and consist for the most part of men in the skid-row segment of the population. Second are the cases in which excessive expenditure for drink causes "secondary poverty".

Rowntree defines "secondary poverty" as "a standard of life of families who are obviously living in poverty although their total earnings would be sufficient for the maintenance of physical efficiency were it not that some portion of them is absorbed by other expenditure, either useful or wasteful" (Quoted in "Drink" by H. Levy p. 37). It is our impression that this type of poverty does not exist to any large extent in our Manitoba population: and as it is not a factor about which statistics can be gathered, we do no more than acknowledge its existence as another social cost.

The cost to our society of alcohol in vehicle traffic is discussed elsewhere in this report. It too gets larger year by year.

One final word should be added here. This is not an age of frequent excessive drinking as was the eighteenth century for example. But the violence of drunkenness is just as important as the frequency. Murder is infrequent but no less dreadful for that reason. The same is true of alcoholic excess. There is danger in blinding society to the cost of the use of alcohol by pointing to the "average" drinker who is not the source of trouble. But the shock provided by the appalling picture of the individual excessive user leaves little room for complacency. Such single cases can be multiplied many times, and they are not less important in terms of the cost to society or the need for public concern by the fact that they disappear in the "statistical average".

## CHAPTER XXIII

### TREATMENT AND REHABILITATION OF PROBLEM DRINKERS AND ALCOHOLICS

#### Instructions to the Commission:

Without limiting in any way the general scope of its enquiry as hereinbefore set out, the Commission be instructed in particular to make findings and recommendations with respect to:

The situation and problems now existing under the Government Liquor Control Act, 1928 and the situation and problems likely to exist under any amended Liquor Act providing any or all of the items under the preceding sections such as:

treatment and rehabilitation of 'problem drinkers' and alcoholics and the most effective method of organization for these purposes.

#### INTRODUCTION

##### The Development of Alcoholism

"No program of legislation can hope to curb drinking successfully unless at the same time a broad effort is made to reduce the number of alcoholics through rehabilitation."

Dr. E. M. Jellinek

Dr. E. M. Jellinek, Consultant on Alcoholism for World Health Organization, and probably the greatest authority on the question, has determined from a questionnaire sent to members of Alcoholics Anonymous and from his extensive personal experience with alcoholics, that there are certain symptoms which mark the development and progress of alcohol addiction. Since broad public knowledge of the nature of alcoholism is one of the best preventive measures, a discussion of these symptoms is offered here. It should be noted as a word of warning that not every symptom occurs in every case, nor do they necessarily occur in a particular order; nevertheless the appearance of a group of them gives clear warning of the development of the disease or of its progress to more serious stages.

##### Warning Signs of Approaching Alcoholism

Fortunately certain symptoms (prodromal) occur before addiction, i.e., before the drinker has lost control of his drinking. As the disease can best be arrested at this stage, it is well that these be widely recognized.

1. **Sneaking Drinks.** The potential alcoholic is a person who finds more than normal pleasure in the release provided by alcohol from the pain of reality. He, therefore, early in his drinking begins to sneak the extra drink in order to achieve this release. Such sneaking is an indication of the abnormal importance which alcohol will have in his life if he continues to drink.

2. **Preoccupation with Drinking.** Because he finds the relaxed condition resulting from drink so pleasant, the pre-alcoholic is abnormally preoccupied with the thought of drinking. The most important fact for him about any social occasion will be whether there will be liquor or not. He watches with too much interest for the arrival of the first tray of drinks and for the host's attention to refilling the glass.

**3. Gulping Drinks.** Because for him no occasion is really launched, because he is not really comfortable until he has had a fair intake of alcohol, he gulps drinks. He may find alcoholic drinks unpalatable; but, whether he does or not, he is eager to have sufficient alcoholic intake to put him at ease.

**4. Blackouts.** Early in his drinking career the potential alcoholic begins to experience the rather frequent blackout which is the most serious sign of developing alcoholism. A blackout is partial amnesia without loss of consciousness. Actually during a blackout the drinker may not even appear to be intoxicated. The next day, however, he finds unpleasant blanks in his recollection of what happened during his drinking. When this occurs three or four times out of ten drinking occasions where only moderate amounts were consumed, the drinker can be certain that he is establishing an alcoholic pattern which will lead to uncontrolled drinking if he continues to drink.

**5. Avoidance of reference to drinking.** The drinking pattern of the pre-alcoholic has now become sufficiently abnormal to make him conscious of the difference between himself and his fellow drinkers. For this reason he begins to avoid any reference to drinking, particularly any reference to the unpleasant affair last night. Family and friends will have become aware of his problem but will find it hard to speak to him unless he is really worried by the knowledge of what his behaviour indicates. For this reason the broadest knowledge of these symptoms is desirable so that an arrest of the disease may be effected before the markedly addictive stage is reached.

Unless drinking is stopped at this stage, it gets entirely out of control and the drinker cannot stop of his own volition but must receive outside aid. While the same symptoms continue, new ones indicate the loss of control.

**6. Uncontrolled Drinking.** The most conspicuous symptom of loss of control is the excessive drinking that results. It may be said now that when the drinker takes one drink, it will be impossible to tell when he will stop. He may confine himself to a moderate amount, or he may go to gross excess. He himself cannot tell what his pattern may be since any drink may be the one which sets off the chain reaction of prolonged excess.

**7. Alibi System.** The drinker, in this stage, aware of the abnormality of his behaviour, never admits that he became drunk as the result of his drinking. He was tired. He was catching a cold. Somebody "spiked" his drink. What is more he never drank because he wanted to but because his friends forced him to, or social decency demanded it, or he had to have a lift to keep going. His hangovers begin to interfere with his health and activities, and he develops imaginary disabilities (sinusitis, stomach trouble, etc.) to account for absenteeism. The family inevitably becomes a part of this rationalization.

**8. Remorse.** Because of the disturbance his drinking causes to his life and the lives of others, and also in part merely as a consequence of his mental disturbance, the drinker now suffers violent and persistent remorse. Outwardly this remorse is often covered by a belligerent, self-justifying attitude.

**9. Water Wagon.** During this period the alcoholic goes "on the water wagon." He may do this secretly or with considerable public show. These periods of abstinence are characterized by nervousness, gross ill-nature, and deep resentment.

**10. Change of drinking pattern.** In addition to abstinence, the alcoholic may try a change of drinking pattern. He may try wine instead of whiskey. He does not drink before four o'clock. Or he has only two drinks before the evening meal. These efforts at restraint inevitably fail.

**11. Disintegrative Factors.** Family, friend and job relationships begin to suffer. Whether his wife leaves him, he loses his job, or all his friends drop him will depend mostly upon the personal value of the drinker in the past and the patience and understanding of the persons involved with him. At this stage he says he can "take it or leave it alone." The fact is he cannot leave it alone. He needs help, but he may not want it. He will try to help himself by every means short of abandoning the habit.

**12. Geographic Escape.** Geographic escape is the most radical of self-help efforts. Many alcoholics change jobs or living quarters, or even move to another part of the country in order to stop drinking. The change may result in a short period of abstinence or moderation, but the pattern is quickly re-established.

**13. Medical Aid.** Sometime during this stage the alcoholic will need medical aid as the direct or indirect result of his drinking. An excessive and prolonged drinking bout may land him in a hospital or a rest home for sobering-up. He may also need attention for injuries resulting from drunkenness. Moreover, the condition of malnutrition produced by excessive drinking will make him more susceptible to many diseases, particularly pulmonary infections; and he may develop polyneuropathy, beri-beri, pellagra, or other diseases consequent upon vitamin deficiency.

The complications of the later stages of alcoholism are many of them so unusual that they allow of little concealment from the drinkers intimate friends and family. It would be wrong, however, to assume that he cannot for a long time conceal some of the most unusual symptoms.

**14. Benders.** These are the prolonged drinking bouts, lasting from a period of days to weeks and even months. The drinker is often ambulatory in these bouts and usually disappears from his normal haunts. He may "hole-up" in a hotel or roominghouse or he may travel to other, often distant, cities. For long periods of a bender the alcoholic is likely to be in blackout.

**15. Tremors—"shakes."** The nervous tremors of the alcoholic especially during and immediately after a drinking bout, are difficult to conceive. The drinker cannot safely shave himself. He may be able to carry a drink to his lips only with the support of a towel around his neck. Drink relieves this condition somewhat, and thus the condition becomes a further drive to drinking.

**16. Protecting supply.** Alcohol is now so urgently necessary in the life of the alcoholic that much of his conscious activity is directed to assuring a supply. Work is only for the purpose of obtaining funds to purchase liquor. The drinker may sell or pawn all he owns and even the furniture and clothing of the family. Bottles are hidden in every conceivable place, and he can even watch with equanimity as a quart is emptied down the sink knowing that a reserve is still safe.

**17. Unreasonable Resentments.** Aware of the state to which he has sunk, the alcoholic is on the defensive against the entire world. He may take the

simplest act as hostile to him, and he builds up a series of unreasonable resentments against even those with whom he has no real contact, who may be quite unaware of his existence.

**18. Nameless fears—anxieties.** Rollo May in the **Meaning of Anxiety** has defined anxiety as fear without a focal point, i.e., fear without any sense of what is feared. This kind of fear now assails the alcoholic. The telephone, the mail man, all activity of which he is not a part, threaten his security. He suffers the tortures of the damned most of his lucid hours.

**19. Collapse of alibi and surrender process.** Some time in this period the alcoholic is faced with the inescapable fact that he cannot control his drinking, that the road to death or insanity lies plainly ahead of him. If he can achieve the surrender of his will now, A.A., a rehabilitative program, a profound religious experience, or some similar agent may start him on the way to recovery. If he does not, the rest of the history is likely to be brief—Skid Row for a time, the final end, a drunkard's grave.

**THE MANITOBA DRINKING PICTURE**

One of the difficulties of dealing with alcohol legislation and alcohol problems is, as E. M. Jellinek pointed out, the limited amount of information we have about who drinks, where, why, and how much. Since these facts have so much bearing upon what is to be done about alcohol, it is necessary, even though accurate statistics are not obtainable, to present an approximate picture of Manitoba's drinking based upon such information as is available.

The Provincial Bureau of Vital Statistics estimated the population of Manitoba in February, 1955, as 828,000. Taking this figure as a starting point, the following is an approximation of the relation of our people to liquor:

|                                                                          |         |
|--------------------------------------------------------------------------|---------|
| Estimated Population of the Province.....                                | 828,000 |
| Estimated 20 years of age and over.....                                  | 521,000 |
| Under 20 years of age.....                                               | 307,000 |
| 70% over 20 years of age use some alcohol.....                           | 364,700 |
| Estimated population 17, 18 and 19 years of age for 1951.....            | 34,313  |
| If 15% of these drink, the estimated number of teen-age drinkers is..... | 5,147   |

As to the above figures for teen-age drinkers, nothing much can be said except that there are probably at least this many who have experimented with drinking. It is likely to be more rather than less. Probably some of these may already be drinking rather regularly, but it is not likely to be anywhere near the majority. Some few may even have a problem with their drinking at so early an age, but only in the very rarest case will alcoholism have developed so young. About the drinker over twenty years of age more is known. Of these there are.....364,700

A mean figure between the average number of alcoholics between 1950 and 1954, as determined by a rough application of the Jellinek formula and the number determined by the same method for 1954 suggests that the approximate number of alcoholics is..... 10,000

|                                                                                                                                                                   |        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Of these the approximate number with complications of physical and mental disease due to alcoholism is.....                                                       | 2,500  |
| In addition to the alcoholics, there is a large group whose drinking is something of a problem. The number of these drinkers can only be guessed to be about..... | 10,000 |

These problem drinkers in the main are of two types: (1) Those who get drunk for one cause or another with sufficient frequency to have caused concern to their employers, family or friends or to have suffered financial or other difficulties. (2) The pre-addictive drinkers who already show signs that they will develop into alcoholics. Some of the first group may develop alcoholism at a later time, but many will continue for years without much change in pattern and some will reduce their drinking or stop entirely. Some of them drink because their low mentality suggests no other type of recreation to them. Some drink because they have pressing immediate emotional problems, and some drink because they suffer from profound mental disturbance or illness of which drinking is only the symptom.

### Manitoba Opinion

In the sea of controversial opinions which accompany any discussion of the problems created by the abuse of alcohol, almost everyone agrees that the Government should assume responsibility for a program of treatment and rehabilitation for the alcoholic. The fact that many degrees of responsibility may be advocated and widely separated forms of treatment recommended, does not detract from the acceptance by so many of the principle of governmental support.

Your Commission has found that this opinion is held by a large majority of the citizens of Manitoba. In many of the briefs presented to us this principle was stated directly as a firm recommendation. In not a single instance was there a contrary opinion expressed.

It was frequently urged that special facilities should be provided to meet this rather different type of patient and the prevailing opinion seemed to be that whatever is done in this connection should be a charge on the government which receives the revenue from the liquor traffic.

Recommendations by the Committee on Alcoholism in their brief to the Commission are as follows:

Government support to be given to an independent organization to implement progressively the following:

1. Public education program.
2. Operation of Information Centres in Winnipeg and development of other outlets for information in other centres.
3. Hospitalization of the acute alcoholic patient as such throughout Manitoba.
4. Establishment of treatment clinic for in-patients and out-patients.
5. Rehabilitation program designed to effect complete restoration of the alcoholic to society.
6. Prisoner rehabilitation program for those in whom alcoholism is a contributing factor to crime.
7. Research program to develop data of value to the whole program.

It would seem that our population is solidly in favor of our government assuming responsibility for a provincial wide program of treatment and rehabilitation of alcoholics.

This attitude on the part of our own people, is simply a reflection of a trend towards more progressive thinking in this field, which is apparent throughout Canada and the United States of America.

**Treatment and Rehabilitation in Manitoba**

Many programs of treatment and rehabilitation have been started, and it is not surprising that in a field as new as this one, a great diversity in these programs is apparent.

In Manitoba, a beginning has been made, and although the effort has been almost completely voluntary, we may safely state that a solid foundation has been laid for future expansion.

The work carried on, for example, by the Committee on Alcoholism for Manitoba, by the Manitoba Temperance Alliance, by the various branches of Alcoholics Anonymous in Manitoba, and in another field by the Department of Education is worthy of the highest praise.

However, there are no provisions in the present Act relating to treatment and rehabilitation of problem drinkers and alcoholics.

The Liquor Law now in effect works toward prevention and arrest of alcoholism insofar as it seeks to prohibit the sale of liquor to intoxicated persons.

The only measures that are at all closely related to this problem are the regulations to prevent interdicted persons having access to liquor.

For many years special provision has been made for mental cases in the Provincial Psychopathic Hospital, including those arising from or related to alcoholism, and there are limited provisions being made available in general hospitals for the treatment of alcoholics in the acute stage.

**In Other Provinces**

Many provinces and states started with whatever data were available at the time and devised programs designed to help, not only the alcoholic but all those workers actively interested in the problem. Of those areas visited by the Commission, perhaps the best program, and certainly the one most highly regarded by all other Provinces and States, is that in the Province of Ontario.

Programs for rehabilitation are already under way in many provinces, and we are informed that Ontario spent \$210,000; Saskatchewan, \$12,000; Alberta, \$135,000; and British Columbia, \$20,000 in the past year. The following outlines made by H. David Archibald of the Alcoholism Research Foundation indicate the nature of the work being done:

**ALBERTA**

**ALCOHOLISM FOUNDATION OF ALBERTA—STARTED JULY, 1953**

Groups previously responsible

|                   |                                        |
|-------------------|----------------------------------------|
| for development:  | Provincial Medical Association         |
| Sponsored by:     | Provincial Government, Dept. of Health |
| Independent Body: | Yes                                    |
| Annual Budget:    | \$135,000                              |



|                                                                     |                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Stated Functions:                                                   | (a) Education<br>(b) Treatment<br>(c) Rehabilitation<br>(d) Research<br>(e) Prevention                                                                                                                                                     |
| Orientation:                                                        | To: Alcoholism and problems of alcohol                                                                                                                                                                                                     |
| Services Offered:                                                   | Education: Schools and community<br>Treatment: 1 out-patient clinic<br>General Hospital beds                                                                                                                                               |
| Research Projects:                                                  | (a) Rehabilitation Project<br>(b) Study of incidence and cost of illness                                                                                                                                                                   |
| Staff:                                                              | Psychiatrist, 1 part time; Other Medical, 2 part time; Social Workers, 3 full time, 1 part time; Psychologists, 3 full time; Nursing 0; A.D., 2 full time, 1 part time; Education 2; Research 0; Administrative, 6 full time, 1 part time. |
| Methods of Treatment:                                               | Group Therapy<br>Alcoholics Anonymous<br>Psychotherapy                                                                                                                                                                                     |
| Number of Patients Annually:                                        | 474                                                                                                                                                                                                                                        |
| No. of Patients Hospitalized:                                       | 63                                                                                                                                                                                                                                         |
| Other Groups active in field of Alcoholism and problems of alcohol: | (1) Alcoholics Anonymous<br>(2) Alberta, Saskatchewan School on Narcotics and Alcohol<br>(3) Alberta Temperance Federation<br>(4) General Hospitals                                                                                        |

## BRITISH COLUMBIA

### ALCOHOLISM FOUNDATION OF BRITISH COLUMBIA

STARTED MARCH 15, 1954

|                                                |                                                                                                                                                                         |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Groups previously responsible for development: | (a) Government Study Commission<br>(b) Alcoholics Anonymous<br>(c) Social Agencies                                                                                      |
| Sponsored by:                                  | Provincial Government,<br>Department of Attorney General                                                                                                                |
| Independent Body:                              | Yes                                                                                                                                                                     |
| Annual Budget:                                 | \$30,000                                                                                                                                                                |
| Stated Functions:                              | (a) To promote and conduct a community program of research in alcoholism<br>(b) To promote, conduct and direct program for treatment and rehabilitation, and education. |
| Orientation:                                   | To: Alcoholism                                                                                                                                                          |
| Services Offered:                              | Operation of existing rehabilitation centre.<br>Other services in process of development.                                                                               |
| Research Project:                              | None                                                                                                                                                                    |

|                                                                     |                                                                                                                                                                                                      |
|---------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Staff:                                                              | A.A. 1, Administrative 2                                                                                                                                                                             |
| Method of Treatment:                                                | Alcoholics Anonymous in rehabilitation centre                                                                                                                                                        |
| No. of New Patients Annually                                        | 134                                                                                                                                                                                                  |
| No. of Patients Hospitalized:                                       | None                                                                                                                                                                                                 |
| Other Groups active in field of Alcoholism and problems of alcohol: | (a) Alcoholics Anonymous<br>(2) Alcohol field workers hired by city for work in police court<br>(3) Education program in schools under auspices of Dept. of Education<br>(4) Temperance Organization |

## SASKATCHEWAN

### BUREAU OF ALCOHOLISM—STARTED NOVEMBER 1, 1953

|                                                                     |                                                                                                                                                                                                             |
|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Groups previously responsible for development:                      | (a) Alcoholics Anonymous<br>(b) Provincial Government Officials                                                                                                                                             |
| Sponsored by:                                                       | Provincial Government                                                                                                                                                                                       |
| Independent Body:                                                   | Integrated into Dept. of Social Welfare                                                                                                                                                                     |
| Annual Budget:                                                      | \$12,000                                                                                                                                                                                                    |
| Stated Functions:                                                   | (a) To survey existing resources<br>(b) To act as Liaison between Government and existing Agency<br>(c) To plan a program to deal with problems<br>(d) To provide information to schools and general public |
| Orientation:                                                        | To problems of alcohol and alcoholism                                                                                                                                                                       |
| Services Offered:                                                   | Studying problem in Province and elsewhere                                                                                                                                                                  |
| Research:                                                           | None                                                                                                                                                                                                        |
| Staff:                                                              | 2 (Administrative)<br>1 Psychologist, part time                                                                                                                                                             |
| Methods of Treatment:                                               | N.A.                                                                                                                                                                                                        |
| No. of New Patients Annually:                                       | N.A.                                                                                                                                                                                                        |
| No. of Patients Hospitalized:                                       | N.A.                                                                                                                                                                                                        |
| Other Groups active in field of Alcoholism and problems of alcohol: | (a) Alcoholics Anonymous<br>(b) General Hospitals<br>(c) Temperance Organization<br>(d) Education program starting in schools                                                                               |

## ONTARIO

### ALCOHOLISM RESEARCH FOUNDATION—STARTED FEBRUARY 1950

|                                               |                                                                                     |
|-----------------------------------------------|-------------------------------------------------------------------------------------|
| Groups primarily responsible for development: | (a) Alcoholics Anonymous<br>(b) Legion Control Board<br>(c) Temperance Organization |
| Sponsored by:                                 | Provincial Government, Dept. of Health                                              |
| Independent Body:                             | Yes                                                                                 |

|                                                                     |                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Annual Budget:                                                      | \$210,000                                                                                                                                                                                                                                                                                     |
| Stated Functions:                                                   | (a) To conduct and promote a program of research<br>(b) To conduct programs for: <ol style="list-style-type: none"> <li>1. Treatment of alcoholics</li> <li>2. Rehabilitation</li> <li>3. Experimentation in methods of training alcoholics</li> <li>4. To disseminate information</li> </ol> |
| Orientation:                                                        | To alcoholism (primarily)                                                                                                                                                                                                                                                                     |
| Services Offered:                                                   | Treatment services <ol style="list-style-type: none"> <li>(a) General Hospitals</li> <li>(b) Out-patient Clinics (3)</li> <li>(c) Special In-patient Clinic</li> </ol> Education: Professional and General Public                                                                             |
| Research Projects:                                                  | Considerable number of projects on problem of alcoholism, many in conjunction with University of Toronto.                                                                                                                                                                                     |
| Staff:                                                              | Psychiatrists 2; Other Medical 6 part time;<br>Social Workers 3; Psychologists 1; Nurses 5;<br>Education 2; Research 2; Administrative 19                                                                                                                                                     |
| Methods of Treatment:                                               | Brookside Clinic treats on both out-patient and in-patient basis. Acute cases are referred to General Hospitals for varying periods                                                                                                                                                           |
| No. of New Patients Annually:                                       | 570                                                                                                                                                                                                                                                                                           |
| No. of Patients Hospitalized:                                       | 379                                                                                                                                                                                                                                                                                           |
| Other Groups active in field of Alcoholism and problems of alcohol: | (a) Alcoholics Anonymous<br>(b) Alex G. Brown Memorial Clinic, Dept. of reform institutions.<br>(c) Provincial Dept. of Education<br>(d) Ontario and Canadian Temperance Foundation<br>(e) Ontario Temperance Educational Association                                                         |

In addition New Brunswick provides a limited amount of treatment in its provincial mental hospitals through the efforts of Dr. David Stewart of the Department of Public Welfare, and an Alcoholism Committee has recently been formed in Montreal under the Montreal Council of Social Agencies.

It will be noted that the most ambitious program is that of Ontario, which has achieved world-wide recognition. This was established in 1951 with a grant of \$150,000 from the Province and \$60,000 from the Liquor Control Board of Ontario, through the Department of Health.

The Commission has also noted with admiration the overwhelming approval by all agencies, governmental as well as municipal and by all workers, specialists or amateur, hired or voluntary, of the great value of Alcoholics Anonymous in the field of rehabilitation. It would seem that this organization has done more, as

may be judged by actual results, than all other agencies in salvaging the true alcoholics. All official agencies contacted are happy to report the close co-operation and effective help which the A.A. has given them. In many instances Alcoholics Anonymous are carrying practically the whole load of rehabilitation in the area.

### **In the U.S.A.**

In the United States programs for the rehabilitation of alcoholics are being rapidly organized.

Emphasis is placed on out-patient clinics and in-patient clinics, including counselling services.

In some of the wealthier states specialized hospital facilities have been provided; most states are moving slowly in this aspect of rehabilitation, preferring to use the existing hospital facilities.

A number of the larger cities have municipal programs administered and financed by the cities themselves.

In recent years there has been a strong emphasis on rehabilitation in the United States, and at present practically every state is showing some concern with the problem of alcoholism. Rehabilitative action at State level may be said to be of four types:

1. Investigative: A number of states at present have committees of the legislature, or appointed by it, which are investigating the extent of the problem and the most feasible methods of dealing with it.
2. Investigative-Educational: In other states the committee studying this problem is concurrently conducting education in order to prepare satisfactory public reception of the program when it is instituted.
3. Special agency: In this type of program an independent unit of government is established for study, research, treatment, rehabilitation and education. The very successful Connecticut program, operating in close co-operation with the Yale Centre of Alcohol Studies, is an example of such a program.
4. Integrated Program: This type of program utilizes to the fullest possible extent the existing facilities such as hospitals, public health departments, social agencies, etc. Such programs usually have independent financing and administrative direction to assure their fullest development. Study, research and education are in every case considered essential parts of the work to be done.

These various programs are financed in different ways, some from general tax funds, some by special grants, and some from the profit or state interest in the liquor business or a special tax on liquor. In general the trend is toward greater expenditures, as public awareness of the problem increases and the established programs show results that indicate the economic soundness of such expenditures.

### **Other Countries.**

(1) Many European countries have been concerned with the alcoholic for a number of years, and there are a variety of programs in operation on the continent. Notable exception where no concern with the problem has been shown, are England, which has a medium sized problem about which practically nothing is done, and

France, which has taken no serious rehabilitative action to date although it has the largest problem in the world and one of a very special type.

(2) The Scandinavian countries, with the exception of Denmark, for years, have had programs of compulsory treatment of problem drinkers. Since much of the direction of this work has been in the hands of untrained personnel, the results have not been satisfactory.

(3) Dr. E. M. Jellinek, who is familiar with programs in all parts of the world, recommended for our careful scrutiny the Swiss and Dutch programs.

In Switzerland the rehabilitation work is under the direction of the Office of Public Guardianship. The police, judiciary, welfare, and similar departments of the government are under obligation to notify the Office of Public Guardianship of anyone coming to their attention who is an alcoholic or is "endangered through alcohol." The Public Guardian makes a thorough investigation of the case and gives warning or completely forbids drinking. If voluntary correction is not made, the drinker may, by due process, be declared a minor, and treatment then becomes mandatory. Treatment of the alcoholic in most cantons is under the direction of the Society of Führogers. This is a voluntary society of teetotalers, receiving financial aid from the government. A führoger is generally assigned to each alcoholic by the Public Guardian, and it is the duty of the führogers by visit to the family, to the employer, and by close attention to the alcoholic, to achieve his rehabilitation. The führogers are very earnest persons, zealous for the freedom and well-being of their charges. Only in dire cases does the führoger request that the Public Guardian's Office declare the alcoholic a minor and appoint a guardian. The threat of such action is sufficient to deter many drinkers from their excesses, but when this is not effective the alcoholic is placed under compulsory treatment while the welfare of the family is protected.

(4) Holland, according to Dr. Jellinek, has one of the best systems of public care. The Netherlands Government does not establish state clinics but instead subsidizes, in certain cases up to 100%, the in-patient and out-patient clinics established by private societies. In spite of this total subsidy they leave the management of the clinics in the hands of the founding societies. A government inspector (from the Ministry of Health, which is in charge of all matters relating to alcohol), periodically investigates the clinics in order to see that they are operated according to regulations. The subsidy continues as long as standards are maintained and to date there have been no cases where it has been necessary to discontinue the subsidy of any clinic. This system, by avoiding much governmental red-tape in the operation of the rehabilitation program, has enjoyed a great freedom of action and achieved a success of operation that is quite remarkable.

Two features contribute notably to the success of these clinics. First, as a service to the patient, they consolidate and pay all his debts. He in turn, is obligated to repay the clinic. Since 1922 the out-patient clinics have lost only  $1\frac{1}{2}\%$  of such loans, an indication of their amazing success. Second, because of the inevitable heterogeneity in handling problems, the clinics created a co-operative council on which 16 clinics were represented as well as the departments of Health, Social Welfare, Education, Justice, some of the temperance organizations, and the medical faculties of Universities. This Council is a consultative body and as such is able to increase uniformity of practice and raise standards among the clinics.

## Conclusion

A study of the various programs outlined above would seem to justify the following observations. Where, as in Scandinavian countries, an authoritarian approach has been taken, no noteworthy progress has been made. On the other hand some sort of enabling act, wisely administered, does much to deter the drinker and to assure protection of the family welfare. Programs which fail to utilize the services of medicine and medical knowledge are less successful than those which do. Government support of non-governmental agencies has resulted in the best program in all cases.

## Why Should the Government be Involved in the Treatment of Alcoholism?

All governments have recognized that one of their responsibilities towards their subjects is to protect them from what are called public health problems.

A public health problem is usually thought of as a disease, such as described by the former Surgeon General of the United States Public Health Service. It is a condition which affects seriously not only the individual suffering from it, but also his family, friends and community and is a danger to the public at large.

It would suffice, therefore, to prove that alcoholism is a disease and a public health problem to place it within the jurisdiction of the government.

That alcoholism is a disease cannot now be denied by any right thinking person.

'Disease' may be described as, "a departure from health" or as "a definite morbid process having a characteristic train of symptoms."

Either of these definitions would fit perfectly the case of an alcoholic. Moreover, the terms used to describe the various states of which the alcoholic may show signs: "acute," "chronic," "alcoholemia," "alcoholomania," "alcoholophilia," "alcoholuria," are all derived from the vocabulary of medicine.

If further proof was required we could point with certainty to the acquisition by the alcoholic of that peculiar compulsion which characterizes his illness and which certainly is a departure from health.

The least, then, that can be said is that alcoholism is a mental disease. The fact that scientists have not yet isolated the particular pathological process which takes place in the nervous tissues to produce the typical symptoms need not void our reasons for thinking of alcoholism as a disease, as this is true of other diseases.

But alcoholism is not only a simple (or complex) mental disease, it is a social disease of widespread implications.

It would be superfluous to attempt to prove this statement here. The chapters on the social costs of this disease are ample proof.

It is only within the last two decades that the problems of alcoholism have been studied in a scientific and systematic manner, but a great change has occurred in this short period. Not only has alcoholism itself become recognized as a disease, but this disease has been described as the fourth greatest public health menace. It is said to affect 0.50% of the total population and 0.75% of the adult population over the age of 21 years.

It has been estimated that approximately 60% of those over 15 years of age in Canada are users of alcohol. Of these perhaps 6% will develop into chronic alcoholics. In Manitoba a conservative estimate places the number of alcoholics at 20,000.

We may add a further note to describe alcoholism as a moral disease also.

In almost all countries of the world the individual is regarded as a being, capable of and destined by nature to make his own free choice in determining his personal actions. Any disease which so affects the person as to remove from him this freedom of choice may be said to be a moral problem. It is a well known fact (and indeed it is the definition itself of alcoholism) that the alcoholic has by virtue of his disease a compulsion so great that his actions are not the result of a free exercise of the will.

### **What Should the Government Do?**

Happily, alcoholism is a disease which can be arrested. We do not speak of a cure, as this would indicate that the affected person could have the use of alcohol on a controlled basis. This apparently is not possible. However, a complete and permanent sobriety has been accomplished in many instances.

This success, in most cases, is obtained through a complicated therapeutic approach which involves not only medical treatment, but also a psychological, psychiatric, sociological, educational and religious effort at rehabilitation of long duration.

The very complexity of this therapy requires that some central body be made responsible for co-ordinating the efforts of all different agencies which would each furnish part of the necessary treatment.

The investigations of this Commission have led us to favor an organization along the lines of the program operating in Ontario.

A central body which could be named "Alcohol Research and Rehabilitation Foundation of Manitoba" should be created by the Government with the specific functions of providing facilities, counselling, education, research and co-ordination in an overall provincial program.

A foundation such as this would require an executive or governing board to act as administrators of its affairs, and we would suggest that this Board be widely representative of all interested parties, including business, labor, medicine, social welfare agencies, and the clergy.

It is noted that a similar body is already functioning as the Committee on Alcoholism for Manitoba, and it is our opinion that the experience and knowledge of these persons would be valuable assets on the new Board.

If the Government should appoint a Director of Alcohol Education, this person should certainly be included ex-officio, as a member of the Board.

It is now recognized that alcoholism is a public health problem and as such is a government responsibility just as much as are other public health problems, such as tuberculosis or cancer. As in other public health problems, it must be realized that prevention is preferable to cure. This may be very difficult to achieve. It is therefore imperative that a serious and sustained long-term effort be made in all forms of education as outlined in the previous chapter. The treatment of the alcoholic, however, should remain our first objective for the immediate future.

In order to draft an adequate program for the treatment and rehabilitation of the alcoholic in Manitoba much information must be gathered as to the extent of the problem, the distribution of the affected persons, the availability of facilities and specialized personnel and many other pertinent details. Gathering such

information could well be the first function of an Alcohol Research Foundation, whose ultimate responsibility would be to help in all possible ways the accumulation of the world's basic knowledge on the many problems associated with the use and abuse of alcohol.

Such a foundation might be made the co-ordinating agency for all activities in this field, governmental as well as voluntary and educational as well as therapeutic, rehabilitative or research.

The first duty of the Research Foundation should be to obtain as quickly as possible an estimate of the needs for treatment and rehabilitation. This is the pressing problem and should be given very high priority. Many suggestions have been brought forward for the treatment of alcoholics but the Commission believes that all available facilities should be explored before thinking of a construction for separate accommodation for this type of patient. The problem in Manitoba should be small enough to be properly handled with existing facilities, if all are adequately co-ordinated and used. This should not be interpreted to mean the exclusion of a building for the Foundation itself where facilities would be available for group therapy and even out-patient and in-patient accommodation. The active co-operation of the Medical profession and of the hospitals must be obtained.

All necessary acute treatment could be given in general hospitals. The treatment should be standardized and approved by the Manitoba Medical Association. This body should be asked to circularize their members so that all would be familiar with the modern form of therapy.

As the problem of rehabilitation of the alcoholics is a long term one, usually requiring from three to six or seven years, a sound system of follow-up must be organized. Many facilities can be used for this phase of treatment and all should be co-ordinated by a central body. The hospitals with out-patient facilities should be utilized. The Research and Information Foundation could be used also for this part of the work. Public Health Units in different areas should be encouraged to undertake the necessary follow-up. Much help can be obtained in this field from the various groups of Alcoholics Anonymous. The clergy and the social agencies should also be interested in this work.

The fullest encouragement must be given for the continued efforts of all those voluntary agencies which have initiated work in this field.

Many agencies, notably the Alcoholics Anonymous, have already made a remarkable beginning on the rehabilitation of the alcoholics in Manitoba. Such work has a snowballing effect as each rehabilitated person becomes the best educational and preventative tool obtainable. These agencies must be encouraged to keep up their efforts and to enlarge them. With a government sponsored agency ready to help with consultative service, with publications, with active help and financial support, there is every reason to believe that a great deal more can be done. The results will always be worthwhile as we are dealing in human lives, broken homes, neglected children and chronic sickness. The relief of any one of these is worth all the effort of an aroused and educated population. The population of Manitoba has solidly supported public health measures to eradicate other diseases. It will surely not refuse to put all its efforts into combating this fourth greatest public health menace.



## RECOMMENDATIONS

1. That the Government of Manitoba should officially recognize the need for a Provincial program for the prevention, treatment and rehabilitation of alcoholics and stand prepared to assist financially in the carrying out of such program to 80 per cent of its cost, the balance to be obtained by voluntary contribution.

2. That the Minister of Health and Public Welfare should be charged with the responsibility of initiating and developing the program and with the administration of government funds.

3. That the Minister of Health and Public Welfare should create an independent organization to be known as the "Alcohol Research and Rehabilitation Foundation of Manitoba," this organization to be charged with carrying out a complete program to the satisfaction of the Minister.

A. That the Foundation should be governed by a Board of twenty-five persons as representative as possible of the main interests in the Province, to be chosen as follows:

- (1) Ten persons to be appointed by the Minister from the public at large.
- (2) Ten persons to be appointed by the Minister from social welfare agencies in the Province.
- (3) The Deputy Minister of Health and Public Welfare.
- (4) The Provincial Psychiatrist or a person nominated by him.
- (5) A representative of the Manitoba Hospital Association.
- (6) A representative of the Manitoba Medical Association.
- (7) Representatives of the clergy.

B. That the Board of the Foundation should have a medical advisory committee composed of five members of the medical profession appointed by the Minister.

C. That the Foundation should be charged specifically with the following responsibilities:

- (1) To provide adequate facilities and services for the treatment and rehabilitation of alcoholics through its own or existing agencies.
- (2) To provide adequate counselling and follow-up services through such facilities as exist or may be established.
- (3) To provide educational material for adult education on alcoholism in Manitoba.
- (4) To initiate and sponsor research in the fields of prevention, treatment and rehabilitation of alcoholics.
- (5) To coordinate as far as possible the efforts of all agencies, private and public, which by their activities may contribute to the furtherance of the Provincial program.
- (6) To make a detailed report yearly to the Minister of Health and Public Welfare regarding its activities and disbursement of funds.

## CHAPTER XXIV

### GOVERNMENT MANUFACTURE OF BEER, WINE AND SPIRITUOUS LIQUORS

#### Instructions to the Commission:

Without limiting in any way the general scope of its enquiry as hereinbefore set out, the Commission be instructed in particular to make findings and recommendations with respect to:

Such further matters as the Commission may consider to be incidental to the foregoing matters; such as:

consideration regarding manufacture by the Provincial Government of beer, wine or spirituous liquors.

#### FINDINGS

##### 1. The Present Law

- (1) "The Act empowers the Commission to establish a government brewery or distillery 'where it is deemed expedient to the proper governmental control of the sale of liquor in this province.' The section dealing with this power, which has never been exercised, reads as follows:

S. 17. "(1) In any case where it is deemed expedient for the proper governmental control for the sale of liquor in this province to do so, the Lieutenant-Governor-in-Council may erect, purchase, lease or otherwise acquire, for cash or upon terms, a brewery or a distillery and the lands upon which the brewery or distillery is to be or is situated and as required, such plant, appliances or equipment as may be deemed necessary to operate the brewery or distillery and to manufacture any kind of liquor therein.

(2) In case the person or corporation owning or authorized to sell any brewery or distillery, the lands upon which the brewery or distillery is situated and the plant, appliances and equipment thereof which the Lieutenant-Governor-in-Council desires to purchase fails to agree with the Lieutenant-Governor-in-Council as to the proper value thereof or the terms of payment or refuses to sell or to complete any agreement for the sale thereof, the Lieutenant-Governor-in-Council may declare the brewery or distillery and the lands, plant, appliances and equipment to be a public work of the province and order that they be expropriated for the use of the province. Thereupon the provisions of the 'Manitoba Expropriation Act' shall be deemed to extend to such public work and shall, with due variation in points of detail, apply to the expropriation, the determination of the compensation to be paid and of the rights of encumbrances, the Attorney-General for that purpose being deemed to be the minister under that Act.

(3) For the objects of this section or any of them the Lieutenant-Governor-in-Council may raise by way of loan subject to 'The Manitoba Loans Act,' and expend, such sum or sums of money as may be necessary; but the total so raised and expended shall not exceed one million dollars unless the Legislature otherwise provides.

(4) Where any brewery or distillery has been erected, purchased, leased or otherwise acquired by the Lieutenant-Governor-in-Council under this section, the Lieutenant-Governor-in-Council may designate

a member of the Executive Council to administer the brewery or distillery and employ the officials and workmen necessary to operate it, and manufacture and sell to the commission any kind of liquor or may direct the commission to operate the brewery or distillery and the commission shall thereupon operate it for the manufacture of liquor."

## **2. Administration**

- (1) No manufacturing of spirits, wines or beer is done by the Government or the Liquor Commission in Manitoba.
- (2) No blending or rectifying is done by the Province.
- (3) Some bottling and labelling of spirits is done by the Manitoba Liquor Commission.

## **3. Manitoba Opinion**

- (1) During the hearings held in different parts of the province, a number of suggestions were made that the distributing end of the business be taken over by the Government, but only a very few that the manufacture of liquor be taken over as a government enterprise.

## **4. Other Provinces**

- (1) No province, so far as we could learn, manufactures spirits, wine or beer.
- (2) Several provinces, like Manitoba, do bottle and label spirits and wine.

## **5. State Law (U.S.)**

- (1) The information available from the United States does not indicate that any state has entered into the manufacture of any type of liquor by the government.

## **6. Other Countries**

- (1) It is reported that Uruguay in South America manufactures a part at least of its distilled liquor. According to Dr. Jellinek:

"Distilled spirits are a State monopoly but it is different from the other countries. The object of the monopoly is revenue for the Government."

- (2) Finland

Although the government does not manufacture alcoholic beverages, the Alkoholiliiike, which is a state owned Company (except for two shares), operates as a monopoly in the handling of all alcoholic beverages with the exception of light beer, and the Alkoholiliiike buys all alcohol produced in Finland, whether in potable or non-potable form, and is also the sole importer of all alcohol moving into Finland with the exception of light beer which is defined as having less than 2.25% alcohol by weight.

- (3) Sweden

The Vin- and Spritcentralen is the state owned wholesale company in Sweden which buys all the alcohol produced in the country except that found in light beer of a strength of 2.8% by weight or less. The Vin- and Spritcentralen does not itself produce the raw alcohols made in Sweden. There are, for example, some 60 to 70 private producers of alcohol made from potatoes—the alcoholic base for aquavit. The production of the private producer is rigidly controlled as to quantity by a state agency known as the Kontrollstyrelsen which measures every

batch produced and follows the movement of that batch from the private producer to the Vin- and Spritcentralen. The price to the private producer on this raw alcohol is that set by the Vin- and Spritcentralen so that the private producer's profit is seriously limited by the rigid control price at which he may sell his wares.

The Vin- and Spritcentralen also imports all wines and heavy liquors. In fact, all alcoholic beverages except a very light beer, that enters or is made in Sweden, come under the control of this wholesale company.

(4) Norway

The Government has a like system of distribution to that of Sweden under the control of a state company which is called the Vinmonopoly. This Company is the sole purchaser and importer of alcoholic beverages with the exception of light beer.

(5) Switzerland

The Government has a monopoly of distillation. It farms some out, i.e., licensed distillers, but it also does a great part of the distilling in its own plants.

(6) Iceland

No wine is produced nor liquor distilled in Iceland. This is natural since the climate does not encourage fruit-growing. The Government alone is permitted to import alcoholic beverages; and it is against the law to manufacture spirituous beverages or non-potable spirituous liquids or to render fit for drinking any spirits found to be unfit for drinking.

(7) Denmark

Although the Government does not manufacture any alcoholic beverages it exercises control over the profits which may be earned by the private shareholders of the Spritfabrikker, which is the largest organization in the liquor trade in Denmark. Originally formed in the early 1920s the Spritfabrikker consolidated several small distillers and now has a virtual monopoly under special arrangements with the Government. Under their agreement with the Government this company is the only supplier of alcohol to other private companies in Denmark who may wish to use alcohol in their potable products.

Although owned by private shareholders, their dividends are limited to 6% from the manufacture of potable spirits plus an additional 3% in dividends which may be earned from the sale of non-potable alcohol and yeast products. To this extent it may be said that the state has an effective voice in the control of the profits arising from the production of alcohol in Denmark.

## RECOMMENDATION

That Section 17 of the present Act permitting the Government to acquire and operate a brewery or distillery be retained in any future legislation. It is not considered either necessary or advisable at the present time, however, for the Government to embark upon the manufacture of beer, wine or spirituous liquors since all necessary controls can be exerted without recourse to this action.

## CHAPTER XXV

### ALCOHOL AND TRAFFIC ACCIDENTS

#### Instructions to the Commission:

Without limiting in any way the general scope of its enquiry as hereinbefore set out, the Commission be instructed in particular to make findings and recommendations with respect to:

Such further matters as the Commission may consider to be incidental to the foregoing matters, such as

traffic accidents due to alcohol and their prevention.

#### FINDINGS

##### 1. The present Law

- (1) The Legislature of Manitoba has made it an offence to have an "open bottle of liquor in a motor vehicle upon a highway" by S. 78 of the Highway Traffic Act, RSM 1940 Cap 93 which reads as follows:

78. "No person in a vehicle upon the highway shall open or break or allow to be opened or broken any package or vessel containing liquor as defined in "The Government Liquor Control Act, 1928," or drink or use or allow to be drunk or used any liquor therefrom and no person shall have in a vehicle upon the highway any package or vessel containing liquor, which is not sealed with the official seal prescribed by or under that Act," Vide s. 90, s. 98, s. 106, s. 110, s. 116.

- (2) The penalty for a breach of said s. 78 and concurrent penalties provided for those convicted under the drunk and impaired driving sections of the Criminal Code are also found in the Highway Traffic Act and are as follows:

S. 90. "In the event of a first conviction for a violation of the provisions of section 78, or section 285 of the Criminal Code . . . the motor vehicle with or in respect of which the offence was committed shall be seized, impounded and taken into the custody of the law for a period of three months, unless it appears to the satisfaction of the convicting judge, police magistrate or justice of the peace, that the person convicted is not the owner thereof."

S. 104. "The license and right to obtain or have a license of a person who is convicted under sub-section (4) or (4A) of section 285 of the Criminal Code shall be suspended by the police magistrate or justice of the peace who makes the conviction for a period

(a) not exceeding six months for the first offence;

(b) not less than six months and not exceeding twelve months for the second offence,

and for the third or any subsequent offence, his license shall be cancelled and he shall be disqualified from thereafter holding a license, and if the person convicted is the owner of the motor vehicle the motor vehicle shall be impounded as provided in section 90."

S. 105. "The license of a person who is convicted of manslaughter, criminal negligence or an offence under section 284 or subsection (1) or paragraph (a) of subsection (4) of section 285 of the Criminal Code or is convicted under indictment of an offence under subsection (4A) of section 285 of the Criminal Code shall be cancelled by the judge presiding at the trial if

tried with a jury or by the judge or police magistrate who makes the conviction, as the case may be, and the person may be disqualified by the judge or police magistrate from holding a license for any period not exceeding five years."

- S. 106. "Notwithstanding anything in any other Act of the Legislature, a magistrate who convicts any person of a breach of The Government Liquor Control Act, 1928 with respect to liquor had or kept or carried in a motor vehicle that is operated for compensation shall suspend, for a period of not less than six months and not more than twelve months,
- (a) the license of the driver thereof; and
  - (b) the registration of the vehicle, unless it appears to the satisfaction of the convicting judge, police magistrate, or justice of the peace, that the person convicted is not the owner thereof."
- S. 107. "In case any person is convicted of an offence against the Criminal Code the judge presiding at the trial if the case is tried with a jury, or the judge or magistrate making the conviction, as the case may be, may cancel the license and the registration of a motor vehicle of the person, if any, and may disqualify the person from holding a license and from registering a motor vehicle for any period not exceeding five years."
- S. 110. "A person who violates any of the provisions of section 78 shall incur, for the first offence, a penalty of not less than fifty dollars and not more than two hundred dollars and shall also be liable to imprisonment for a term not exceeding thirty days, and for any subsequent offence shall incur a penalty of not less than two hundred dollars and not more than five hundred dollars and shall also be liable to imprisonment for a term not exceeding six months, and in addition thereto his license may for the first offence be suspended for a period not exceeding thirty days and for a subsequent offence his license may be cancelled for a period not exceeding one year."
- S. 117. "A person found guilty of an offence against this Act, or section 285 of the Criminal Code who is shown by the evidence given at the hearing or subsequently before sentence is passed to have been, at the time the offence was committed, driving a motor vehicle without being licensed or permitted under this Act so to do, may be declared by the convicting magistrate or justice, when passing sentence, to be disqualified to hold a license for such time as the magistrate or justice may state in so declaring. Forthwith after the conviction the magistrate or justice shall report accordingly, sending with his report a certificate of conviction to the minister."
- S. 121. (1) "The registrar shall suspend the driver's license of, and the registration of every motor vehicle registered in the name of, a person who has been convicted in the province of any one of the following offences or violations of the law, or who, having been arrested for any such offence or violation, has forfeited his bail, namely:
- (d) an offence under subsection (1), (2), (3), (4), (4A), (5), (6), or (8) of section 285 of the Criminal Code, criminal negligence under section 284 of the Criminal Code, or manslaughter committed by a person while operating a motor vehicle."
- (3) Driving while drunk and while impaired by alcohol are criminal offences coming under the jurisdiction of the Government of Canada. The sections of the Criminal Code relating to these offences are self-explanatory and are as follows:
- S. 285. (4a) "Every one who, while intoxicated or under the influence of any narcotic, drives any motor vehicle or automobile, or has the care or control of a motor vehicle or automobile, whether it is in motion or not, shall be guilty of an offence and shall be liable.

(b) Upon indictment, for a first offence to imprisonment for a term not exceeding three months and not less than thirty days and for each subsequent offence to any term not exceeding one year and not less than three months; or

(c) Upon summary conviction, for a first offence to a term of imprisonment not exceeding thirty days and not less than seven days, for a second offence to a term of imprisonment not exceeding three months and not less than one month, and for each subsequent offence to a term of imprisonment not exceeding one year and not less than three months.

And the provisions of section ten hundred and thirty-five, in so far as it authorizes the imposition of a fine in lieu of any punishment otherwise authorized, and of section ten hundred and eighty-one of this Act shall not apply in the case of a conviction for an offence under this subsection. 1930, c. 11, s. 6; am, 1935, c. 56, s. 4."

"(4a) Every one who, while his ability to drive a motor vehicle or automobile is **impaired** by alcohol or any drug, drives any motor vehicle or automobile, or has the care or control of a motor vehicle or automobile, whether it is in motion or not, is guilty of an offence and liable upon summary conviction or upon conviction under indictment

"(a) for a first offence to a fine not exceeding five hundred dollars and not less than fifty dollars or to imprisonment for a term not exceeding three months or to both fine and imprisonment;

"(b) for a second offence, to imprisonment for a term not exceeding three months and not less than fourteen days; and

"(c) for each subsequent offence, to imprisonment for a term not exceeding one year and not less than three months and section one thousand and thirty-five, in so far as it authorizes the imposition of a fine in lieu of any punishment otherwise authorized and section one thousand and eighty-one do not apply where a person is convicted for a second offence or any subsequent offence under this subsection.

"(4b) In proceedings under subsection four of this section the court may, if it is satisfied that the accused is not guilty of that offence but is guilty of an offence under subsection four a, find him guilty of an offence under subsection four a, and a conviction under the subsection bars further proceedings for any such offence arising out of the same facts.

"(4c) For the purposes of subsections four and four a, where a person occupies the seat ordinarily occupied by the driver of a motor vehicle or automobile he shall be deemed to have the care or control of the vehicle unless he establishes that he did not enter or mount the vehicle for the purpose of setting it in motion.

"(4d) In any proceedings under subsection four or four a the result of a chemical analysis of a sample of the blood, urine, breath or other bodily substance of a person may be admitted in evidence on the issue whether that person was intoxicated or under the influence of a narcotic drug or whether his ability to drive was impaired by alcohol or a drug, notwithstanding that he was not, before he gave the sample, warned that he need not give the sample or that the results of the analysis of the sample might be used in evidence.

"(4e) No person is required to give a sample of blood, urine, breath or other bodily substance for chemical analysis for the purpose of this section and evidence that a person refused to give such a sample or that such a sample was not taken is not admissible nor shall such a refusal or the fact that a sample was not taken be the subject of comment by any person in the proceedings." 1951, c. 47, s. 14 (2).

S. 285. "(7a) Where any person is convicted of an offence under the provisions of subsection one, two, four or six of this section the court or justice may, in addition to any other punishment provided for such offence, make an order prohibiting such person from driving a motor vehicle anywhere in Canada during any period not exceeding three years.

"(7b) Where any person is convicted of manslaughter arising out of the operation of a motor vehicle the court may, in addition to any other punishment provided for such offence, make an order prohibiting such person from driving a motor vehicle anywhere in Canada for such period as the court deems proper.

"(7c) In the event of such an order being made under paragraphs (a) or (b) hereof, the court or justice shall forward a copy thereof to the registrar of motor vehicles for the province wherein a permit or licence to drive a motor vehicle was issued to such a person. Such copy shall be certified under the seal of such court or justice or, if there be no such seal, under the hand of a judge or presiding magistrate of such court or of such justice. 1947, c. 55, s. 12.

- (4) From all of the foregoing it can be seen that both the provincial and federal governments have given the courts and the Registrar of Motor Vehicles wide powers to deal with persons driving while under the influence of liquor.
- (5) Most drunk and impaired driving charges are tried by way of summary conviction before police magistrates. In most cases, the minimum penalty for a first offence is awarded, i.e., for a conviction for driving while drunk, 7 days in jail; for a conviction for driving while impaired, a fine of \$50. If the drunk or impaired driver is the owner of the vehicle involved, the car is also impounded for three months (s. 90) and the driver's license of the convicted person is suspended for any period up to 6 months (s. 104).
- (6) If the circumstances of the case so warrant, a magistrate may prohibit a convicted drunk driver from driving anywhere in Canada for a period of up to 3 years pursuant to s. 287 of the Criminal Code. However, this penalty is not commonly used.
- (7) It should be noted that convictions under s. 78 of the Highway Traffic Act are punishable by a minimum fine of \$50. (s. 110) plus impoundment of the motor vehicle (if owned by the person convicted) for a period of 3 months (s. 90).
- (8) By s. 121, the Registrar of Motor Vehicles is given the overlapping power to suspend a driver's license and registration of a motor vehicle for any conviction under s. 285 (4) or 285 (4a) of the Criminal Code.

## 2. Administration

- (1) Traffic accidents due to alcohol have become a major problem not only in Manitoba but in every country where highways have increased in mileage and automobiles in numbers. It is everywhere emphasized that the problem is made more serious because of the large number of innocent victims of these accidents.



(2) The situation in Manitoba with respect to traffic accidents due to alcohol has been summarized in The Highway Traffic Safety Report, 1953 by Mr. E. B. Baillie, Registrar of Motor Vehicles for the Province as follows:

1. There are 242,000 drivers in Manitoba.
2. Of these approximately 16% caused virtually all the trouble—convictions and accidents—39,090.
3. Of the 16%—4,162 are the “problem drivers” as disclosed by a point score system which evaluates the seriousness of each accident and conviction.
4. Of the 4,162 problem drivers in Manitoba, 1,181 or about 25% were under suspension in 1953 because of convictions for driving while impaired by alcohol or driving while intoxicated.

On conviction for driving while intoxicated, the accused receives a minimum gaol sentence of seven days without option of a fine, and his motor vehicle, if owned and operated by him at the time of the offence is impounded for three months (no more and no less). In addition, the court suspends his driving privileges up to six months for a first offense, not less than six months and not more than twelve months for a second offense. For a third offense the court disqualifies the driver from thereafter holding a driver's license. The penalties for driving while impaired are identical with the exception of the fact that a fine is generally imposed in lieu of a gaol term.

A perusal of the 1953 Highway Safety Report indicates that alcohol was a factor in 5.05% of all accidents reported (fatal, non-fatal and property damage). It was a factor in 15.38% of the fatal accidents reported. Fatal accidents involving alcohol were exceeded only by cases involving excessive speed and failing to anticipate an accident.

These are minimum figures and do not include cases where the driver did not report the accident until he was once again sober.

Drivers who drink and drive are one of the many types of problem drivers in Manitoba with which the Safety Division and Driver Improvement Clinic are confronted. In 1953, 22,628 drivers out of a total of 242,000 were involved in accidents—a rate of 9.4%. Of these drivers, 629 were reported under the influence of alcohol. Of the 629 accidents in 1953 where it was indicated the driver had been drinking, 461 involved property damage only, 154 were injury accidents in which 232 persons were injured, and there were 14 fatal accidents in which 15 people were killed.

Alcohol was a factor in one out of each twenty traffic accidents, (fatal, non-fatal and property damage). It was a factor in one out of every six of the fatal accidents (15.38%).

To summarize:

1. There is a very serious problem with the drinking driver.
2. The best method of curing the drinking driver is through effective suspension of driving privileges plus an effective Driver Education Program.

- (3) The Manitoba Highway Safety Division reports Traffic accidents for the years 1953-54 as follows:

|                                                         |        |
|---------------------------------------------------------|--------|
| Total of all Accidents in Manitoba in 1953—Injured..... | 12,832 |
| Total Fatal Accidents in 1953.....                      | 98     |
| Total of all Accidents in Manitoba in 1954—Injured..... | 12,943 |
| Total Fatal Accidents in 1954.....                      | 106    |

Accidents involving drivers who had been drinking included in above:

|           | Property<br>Damage | Injury | Fatal | Total | No. of<br>Injured | Number<br>Killed |
|-----------|--------------------|--------|-------|-------|-------------------|------------------|
| 1953..... | 461                | 154    | 14    | 629   | 232               | 14               |
| 1954..... | 451                | 138    | 13    | 602   | 220               | 13               |

|                                                            | All<br>Accidents | Fatal<br>Accidents |
|------------------------------------------------------------|------------------|--------------------|
| Per Cent of Accidents involving drinking driver (1953).... | 5.05%            | 15.38%             |
| Per Cent of Accidents involving drinking driver (1954).... | 4.6%             | 12.2%              |

Source: Highway Safety Division

### 3. Manitoba Opinion

- (1) The opinion expressed by many of those appearing before the Commission was that stricter penalties should be imposed on drinking drivers. A number of briefs recommended the general tightening of the law in respect to "drunken driving" and heavier penalties for those convicted of driving while under the influence of liquor.
- (2) It was suggested that the provision in the law regarding mandatory jail terms for those convicted of driving while intoxicated, should be more strictly enforced and that suspension of drivers' licenses, the impounding of cars and heavier fines should be more widely used as deterrents.
- (3) A number of briefs recommended that chemical tests—blood or breath tests—to determine the amount of alcohol in the blood should be given to drivers who become involved in traffic accidents; and one went so far as to suggest "on the spot" tests of this nature for all drivers at irregular times and places would be an effective discouragement of those drivers who are inclined to drive while or after drinking.
- (4) It was pointed out that the large number of broken bottles found on the edge of the highway is evidence that more effective law enforcement is necessary.
- (5) It was further represented that the practice of selling cases of beer by hotel vendors to be taken away in cars by beer parlor patrons just before the closing hour was a practice that should not be allowed.
- (6) A summary of the many opinions of those appearing before the Commission with regard to traffic accidents due to alcohol was that the preventative campaign against "drunken" and drinking drivers should be intensified, and that the laws against this abuse should be strengthened and strictly enforced.

- (7) Dr. Wilder Penfield, Director of the Montreal Neurological Institute is reported in the Winnipeg Free Press of May 19th, 1955, as having made the following statements concerning alcohol and traffic accidents:

"The plague of the Middle Ages were no more a hazard than the 'plague of traffic accidents' taking an enormous toll of man."

The gentle voice of Dr. Wilder Penfield, world-famed head of the Montreal Neurological Institute, masked a deep concern Wednesday for what he considers "one of the world's peak problems."

"The problem of the doctor is to save the life or 'the mind' of the persons injured in these accidents," Dr. Penfield said. "And head injuries, a common form of injury received in many traffic accidents, are increasing."

"The brain is not meant to stand the punishment it receives in an accident and we doctors often face the problem of trying to save a man's mind as well as his life," Dr. Penfield declared.

"No. 1 blame," he declared, "goes to the drunken driver. But lack of courtesy on the road is another major factor in the tremendous total of fatalities."

"Most of man's trouble in this world is man-made. If we can't deal with a speeding automobile, how can we face the problems of atomic bombs and human diseases?"

He called public information the best way to cope with the drunken, discourteous, and reckless driver. People must be educated to the necessity of not taking alcohol when they drive.

#### 4. Other Provinces

- (1) In Ontario a considerable amount of research has been carried on, under the direction of Dr. A. M. Ward Smith, Director, Attorney General's Laboratory, regarding the use of blood tests in connection with drinking drivers. Dr. Smith attended the first international meeting regarding alcohol and road traffic in Stockholm in 1950, was instrumental in arranging the second international conference, in Toronto in 1953. He will act as Secretary to the third international meeting in England in 1956.
- (2) Although tests to determine the amount of alcohol in the blood have not yet been written into the Ontario statutes, the research in that Province is well advanced and legal authority for the acceptance of such tests may soon be adopted.
- (3) Dr. Smith made the following presentation to the Commission:

"It is necessary that some control measures be adopted and these control measures must include some consideration of the amount of alcohol in the blood.

Amount of alcohol in the blood, saliva, urine or breath may be determined chemically. The blood test is the best to use but it involves being taken by a physician and subsequently analyzed. If the physicians are willing and will co-operate with the scheme, this plan may be advisable—if they are hesitant or the procedure too unwieldy, the Police can be taught how to take samples of saliva, urine or breath.

In either case sufficient trained analysts are required with a background of experience to do the analysis and interpret the results in order to determine whether a driver is capable of operating a motor vehicle with safety.

Until the analysts have sufficient experience and are sufficiently well accepted by the courts so they can appear as professional witnesses it is useless to consider a law stating some concentration of alcohol in the blood as *prima facie* evidence of intoxication or impairment.

In Ontario the evidence in court is that a person with .15% of alcohol or higher in the blood, no matter how determined, is in no shape to drive a motor vehicle safely. We also recognize that some people's ability to drive is affected at .05% and upwards. The range of tolerance is between .05% and .15% as people differ in their tolerance to alcohol when blood concentration of alcohol is between these figures. Above .15% the driver is definitely under the influence of alcohol.

It should be possible to obtain a sample for analysis from drivers involved in any accident where there is a fatality.

The other part of the problem is educational and should be directed against the drinker. Some benefits should accrue from the alcoholic rehabilitation program. A large percentage of the drinking drivers are compulsive drinkers.

If the analysts have had experience in the use of breath testing apparatus, and will assist in training the police, then breath tests are a distinct advantage.

Until testing equipment is more widely accepted it should be used only by a trained analyst."

Dr. Smith referred to two traffic surveys in Toronto during which it was discovered that at .03% of alcohol concentration in the blood, it begins to matter as a factor in driver responsibility. This figure compares favourably to tests that have been undertaken in Sweden. Tests are determined from breath samples which Dr. Smith said had been proven accurate within 15%. As a result of these tests, Dr. Smith made the following statements:

Where alcohol in the blood is at .1 to .14% the driver is 2½ times as likely to have an accident as when sober.

At .15% or higher the driver is ten times more likely to be involved in an accident.

Regarding consumption, Dr. Smith said that 4½ oz. of whisky are required to build up .05% of alcohol in the blood if the whisky is consumed in one hour, and the blood sample taken within one hour after consumption. He added that an additional 2 oz. consumed each additional hour would maintain this level (.05%).

To reach .15% it would be necessary to drink ten oz. of whisky in one hour and have a blood sample taken within the following hour.

Dr. Smith said, "At .15% or more a man is in no shape to drive an automobile. That is my suggestion of a positive figure."

Q. What is the percentage of motor accidents in which alcohol is involved?

A. "In about 20% of accidents, alcohol is a major factor.

We are setting up a group of analysts in Ontario to deal with this problem and I think the other provinces will have to do the same. While I believe the breath test is best for our purpose, I am not yet convinced that the drunkometer is the best method. We will have to set up legal limits in the Provincial statutes and the need is for a well trained crew of analysts which will be necessary in order to convince the courts of the merits of these tests."

Q. Is training of these men a long or difficult course?

- A. "If some funds were spent in this field for research in each province, this research would qualify the required experts in knowing what work has been done so that they would be qualified to give testimony."
- Q. Do you say that up to 4 oz. of whisky does not impair driving?
- A. "Not necessarily."
- Q. An individual might like to know whether it is liable to affect him.
- A. "I think the statement 'Don't drink and drive' is nonsense unless qualified by a time element or time factor.  
50% of those charged with driving while intoxicated or driving while their ability was impaired by alcohol are compulsive drinkers."
- (4) A perusal of the different provincial statutes reveals that there is no unanimity amongst the provinces in their thinking or approach to the problem of drinking drivers.\*

There is, moreover, the one great and apparent need, not only in the provincial statutes but in the Criminal Code as well, for a specific definition of the terms "driving while intoxicated," and "driving while ability impaired by alcohol." At the present time there is no accurate or precise demarcation and delineation as to where one offence ends and the other begins.

Compared with our present scientific and technological achievements in the related fields, our entire thinking relative to the subject is almost medieval in our approach.

. . . A scientific test based on data and instruments now available for estimating the blood-alcohol content would in many . . . cases absolve the individual of a charge of intoxication or reduce it to one of impairment. On the other hand, drivers who are impaired or even intoxicated are often exonerated simply because they do not exhibit the external effects of alcohol consumption. This is particularly true of individuals who are habitual drinkers (not alcoholics) that have learned to control the effects of alcohol.

- (5) The following are the statutes of the several provinces regarding convictions for drinking and driving:

#### **Nova Scotia**

Sec. 209 (1) The Registrar shall forthwith revoke the driver's license of any person upon receiving a record of the conviction of such person of any of the following crimes or offences:

(b) driving a vehicle while under the influence of intoxicating liquor or narcotic drug.

#### **New Brunswick**

Sec. 76 (2) This part shall only apply to offences and violations of law committed and to convictions and judgments arising out of motor vehicle accidents occurring, and to motor vehicle liability policies issued or in force after the date of coming into force of this part.

Sec. 77 (b) Any criminal offence involving the use of a motor vehicle.

\* (P. Dygala, Asst. Director of Highway Safety in Manitoba.)

## **Prince Edward Island**

Sec. 85 (1) The license of a person who is convicted of driving a motor vehicle while under the influence of intoxicating liquor or drugs, shall forthwith upon and automatically with such conviction, be suspended for a period:

- (a) of twelve months for the first offence;
- (b) not less than twelve months and not exceeding two years for the second offence, and for the third offence his license shall be cancelled and he shall be disqualified from thereafter holding a license, for a period of not less than three years; provided, however, that in the case of a person who has been convicted for a third offence before applying for a license he must, after giving to the Department notice of his intention to do so, make application to a Justice of the Supreme Court, for a recommendation that such license be granted. And on such application the Judge may make such order as he thinks fit and any order so made shall be binding on the Department.
- (c) The Secretary shall not issue a license to any person during the period for which his license has been cancelled or suspended under this section.

(2) And in addition if the person convicted is the owner of the motor vehicle such motor vehicle may be impounded as provided in Section 74.

## **Quebec**

Sec. 77. Every court, judge or magistrate shall, when rendering judgment upon the merits, in a civil, penal or criminal suit, suspend for a period of at least three months the license of any chauffeur or operator of a motor vehicle who, according to the evidence, in the judgment of the court, judge or magistrate,

- (a) has driven a motor vehicle in a state of drunkenness or under the influence of intoxicating liquors or of narcotics.

## **Ontario**

Sec. 54. The license or permit or, in case the licensee is also the owner of the motor vehicle, then both the license and permit of a person who is convicted of an offence under Subsection 4 of Section 285 of the Criminal Code (Canada) is thereupon and hereby suspended for a period of,

- (a) upon the first offence, three months, but where injury to or the death of any person or damage to property occurred in connection with the offence, six months;
- (b) upon the second offence, six months, but where injury to or the death of any person or damage to property occurred in connection with the offence one year;
- (c) upon any subsequent offence, one year, but where injury to or the death of any person or damage to property occurred in connection with the offence, two years;

provided that if an order is made under Subsection 7 of such section upon a conviction under Subsection 4 of such section prohibiting a person from driving a motor vehicle for any longer period, the license or permit or both shall remain suspended during such longer period.

## **Saskatchewan**

Sec. 90 (1) Subject to subsection (2), the board may suspend for a stated period or cancel any registration under this Act and may suspend for a stated period or revoke any certificate of registration, license or permit issued under this Act:

- (a) when the holder thereof has been convicted of an infraction of any of the provisions of this Act, the regulations thereunder, The Fuel Petroleum Products Act, The Education and Hospitalization Tax Act, The Education and Hospitalization Tax Act, 1950, or the enactments repealed by the last mentioned Act, The Liquor Act, or the Criminal Code, or when a Saskatchewan resident has been convicted in any province of Canada or in any state, of reckless, dangerous or drunken driving or of driving a motor vehicle without due care and attention or while his ability to drive was impaired by alcohol or while he was under the influence of intoxicating liquor or any narcotic.

## **Alberta**

Section 18a (3) Where a person is convicted under the Criminal Code of driving a motor vehicle or of having the care or control of a motor vehicle while his ability to drive a motor vehicle is impaired by alcohol or any drug.

- (a) if the convicted person is the holder of a driver's or chauffeur's license, his license is suspended
  - “(i) for six months from the date of the conviction for that offence in the case of the first conviction,
  - “(ii) for one year from the date of the conviction, in the case of a second or subsequent conviction for that offence.”

## **British Columbia**

Sec. 85 (1) In the case of any person convicted of an offence against Section 57 or Section 58 of this Act, or against Section 285 of the Criminal Code of Canada, being the holder of a driver's license under this Act, the Magistrate or Judge before whom the licensee is convicted shall, and in case the conviction is in respect of any other offence against this Act or the regulations the Magistrate or Judge may, in addition to all other penalties, require the licensee to surrender his driver's license forthwith to such Magistrate or Judge. The Magistrate or Judge shall thereupon endorse on such driver's license in the space provided therefor, the date of conviction and whether under the provisions of the "Motor-Vehicle Act" or of the regulations thereunder, or of the Criminal Code, together with the section of the same, and shall sign the endorsement. In the case of any person convicted of an offence against this Act or the regulations, the Magistrate or Judge if he thinks that the facts warrant a suspension or cancellation of the license may suspend the license and forward it forthwith to the Superintendent with a recommendation as to the length of time for which the license should be suspended or cancelled, accompanied by a statement of the grounds on which the recommendation is based, and thereupon the Superintendent shall deal with the license under the provisions of Section 88 and may further suspend or cancel the license or may revoke its suspension. Every person who fails to produce or surrender his license when requested to do so by a Magistrate or Judge pursuant to this section shall be guilty of an offence against this Act. This subsection shall not apply in respect of a person who is convicted of an offence against this Act or the regulations by reason only of the liability imposed on him as owner of a motor-vehicle under the provisions of Section 79.

## **Manitoba**

See Sec. 104 of the Highway Traffic Act for Manitoba re suspension and cancellation.

(P. Dygala, Asst. Director of Highway Safety in Manitoba.)

(4) Effect of chemical tests on Law Enforcement—

“This evidence, which is in agreement with all theoretical considerations, indicates that legislation, and/or its enforcement, dealing with drivers affected by alcohol is more effective when chemical tests are employed routinely.”

(H. David Archibald and H. W. Smith)

A Survey of Methods of Dealing With the Alcohol  
and Traffic Problem.

- (5) It is impossible to provide worthwhile statistics for traffic accidents and deaths for the Dominion because of the diversity of methods of recording such matters in the different Provinces. Some uniformity of reporting, such as is being sponsored by the National Safety Council in the United States, would be desirable in Canada so that a clear picture of this matter could be obtained.

## 5. State Laws (U.S.)

- (1) The Commission was told by the Minnesota Liquor Control Commissioner that a most effective deterrent to drinking driving was started in Minneapolis two years ago, in setting up check points at irregular times and places throughout the city and stopping all cars to check drivers' licenses. (Within the last year this plan has been used by Winnipeg police with very useful results.) This is done by only one police cruiser car with two constables. This gives the police officers a good opportunity to ascertain whether the drivers had been drinking. He commented that the results in Minneapolis had been amazing in reducing drinking driving accidents and that as one result the cocktail bars in Minneapolis had reported a noticeable drop in consumption, particularly when men are on their way home after work. He commented that this was also tried in the cities of St. Paul and Winona, but that the public became so hostile that it had been discontinued.
- (2) The Commission was informed that recently in Minnesota lawsuits have been won by victims of road accidents, or their dependents, against licensees for serving patrons who were already drunk or who were allowed to leave licensed premises to drive their cars in an intoxicated condition. Because of these lawsuit awards, most licensees have had to increase the amount of their liability insurance.
- (3) It may be observed here that Manitoba Law now places responsibility upon licensees in this connection.
- (4) The following is a summary of:

“Driving Under the Influence of Alcohol—The Role of Chemical Tests in Appealed Cases,” by David Lester, Ph.D., Leon A. Greenberg, Ph.D., and George R. Tiernan, LL.B.”

as reported in the Yale Quarterly Journal of Studies on Alcohol.

- (a) The role of chemical test evidence has been evaluated as the result of a study of pleadings, verdicts and dismissals in cases prosecuted for driving under the influence of alcohol.



- (b) In the cases examined, the concentrations of alcohol in the blood ranged from 0.14 to 0.40 per cent, indicating the consumption of more than  $\frac{1}{2}$  pint of whiskey or the equivalent amount of other alcoholic beverages.
- (c) The use of the Alcometer breath test to determine the concentration of alcohol in the blood resulted in a marked increase in pleas of guilty, from 23 to 61 per cent. This increase indicates an acceptance of the validity of the test by defendants, since the test result actually corresponds to what they know they had consumed.
- (d) There was a significant increase in convictions by both court and juries, from 58 to 83 per cent. This increase results from the confidence reposed by the court and juries in the chemical test and from the value of this test in corroborating other evidence.
- (e) The cases dismissed by the prosecutor for lack of sufficient evidence decreased from 22 per cent to none when chemical test evidence was introduced. In addition to the confidence of the prosecutor in the reliability and corroborative value of the chemical test, this decrease results from the more effective screening by the police of cases not warranting prosecution.
- (f) The over-all rate of convictions rose from 55 to 93 per cent when chemical test evidence was presented.
- (g) This evaluation of the disposition of 87 cases brought before the New Haven County Court of Common Pleas reveals the acceptance of the chemical test by all segments of the community as an effective means of convicting the guilty and protecting the innocent.

## 6. Other Countries

- (1) We find that there has been a rapid increase in the practice of taking blood, urine and breath tests, particularly the first mentioned, at the time of accidents; that these tests are required by some countries and samples may be legally taken; that in others they are recommended but no legal authority is provided for taking samples. We find that where any sample is taken without permission some courts do not accept such evidence as having any deciding value. Wherever such tests are used, there is wide agreement that there is an increase in the number of convictions and pleas of guilty.
- (2) Chemical Tests to Determine Intoxication\*

Concentration of alcohol in the blood may be determined by analysis of the blood itself, or urine, and of breath. Direct blood analysis is obviously the most accurate, but the removal of sufficient blood for the test requires considerable skill and proper apparatus, and the driver may make violent objection. The simple procedure of taking a drop of blood from the ear has been accepted in Scandinavian countries, but the accuracy of so small a quantity has never been accepted on this continent. Urine tests have the double dis-

\* (Report of the National Safety Council, Chicago, Ill. Dec. 1954.)

advantage that the bladder must be completely emptied once before the urine will give an accurate indication, and that certain embarrassment is involved. Three breath test apparatuses are now in current use: the alcometer, the drunkometer, and the intoximeter. All three are reasonably simple of operation, easy to transport so that all motor police can have them as standard equipment; and for each the variation in reading from the direct blood test is so small as to be completely negligible. All three of these are widely used and considered acceptable in this Continent.

#### Use of Chemical Tests to Determine Intoxication in U.S.A.—1953.

Eighteen American States have legislation concerning the use of chemical tests. In 39 states chemical tests are used by both the State itself and the cities of the State in dealing with drinking drivers. In 5 States city agencies use such testing, but it is not employed by State police. In one State, only the State agencies use such tests. In only three States are Chemical Tests not used at all. The most common tests are the breath analysis type, the alcometer, drunkometer, and intoximeter. In some States and communities, however, blood tests are employed. This is especially likely to be the case where the driver is unconscious. Urine tests are used very infrequently.

New York, in 1941, enacted a statute making the chemical test admissible in evidence in such trials, and much improvement in enforcement resulted. The problem of how to obtain the chemical evidence still remained where the defendants refused to co-operate.

A joint legislative committee was appointed by the Legislature to study the question. After consultation with representatives of the American Association of Motor Vehicle Administrators, the National Safety Council, judges and police officials, the committee made its report, recommending an amendment to the New York law. It proposed that "any person who operates a motor vehicle in this state shall be deemed to have given his consent to a chemical test of his breath, blood, urine or saliva for the purpose of determining the alcoholic content of his blood; and if such person refuses to submit to such chemical test, it shall not be given, but the commissioners shall revoke his license of the permit to drive, and any non-resident operating privilege."

(Edward B. Dunford, Attorney, New York, reported  
by the Canadian Temperance Federation.)

- (3) It has been reported to us that most of the road accidents arising where liquor is concerned arise not so much from drivers who are intoxicated as from drivers who are only impaired—meaning something less than intoxication.
- (4) We find it strongly recommended from several sources that where persons involved in driving accidents are found to have .15% of alcohol in their blood this, by law, be considered as legal evidence of "impairment."
- (5) Swedish License Requirement re effect of alcohol:

"Before a license to drive can be obtained in Sweden, the applicant is required to know the influence of alcohol on the human body from the point of view of traffic safety. This knowledge is checked at the oral test given every applicant. Information on the effects of alcohol is given in the driving schools and is also contained in handbooks given to applicants for driving licenses."

(P. 16, "A Survey of Methods of Dealing  
with the Alcohol and Traffic Problem."  
H. David Archibald and H. W. Smith.)

## 7. Opinions of Specialists

- (1) Because most members of society feel themselves personally threatened by the drinking driver, the traffic accident aspect of the alcohol problem is of wide concern to the public. In this connection it is important to note that the real menace on the highway is not so much the drunken driver who seldom drives but the impaired driver who frequently does.

"The really dangerous driver is the man who has had one or two drinks only who still thinks he is in possession of his faculties, but whose driving judgment has been impaired. On the highways, the moderate drinker is more dangerous than the immoderate."

(Robbins B. Stoeckel, Comm. of Motor Vehicles, Connecticut.)

- (2) "Though some reduction of accidents can be brought about by the education of road users, by propaganda, and by other methods . . . there remain a large number of motor drivers and other road users who are not amenable to mild persuasion. They react only to more direct and drastic treatment, such as the imposition of legal penalties. If the penalties imposed by the authorities are relaxed, they are only too ready to take advantage of the relaxations and to drift into their old bad habits."

(Sir H. M. Vernon quoted in H. Levy: "Drink," p. 155.)

- (3) "Other countries' experience with stricter regulations and heavier penalties concerning motorists' consumption of drink may be worthy of emulation. We have already noted that in Norway, for instance, a person is not allowed to have any drink within several hours of driving. Though it is not very clear how this regulation can be strictly enforced, the great majority of law-abiding citizens no doubt comply with it; and it certainly emphasizes the danger of driving 'under the influence of drink.' Again, there, as also in some other countries, a person convicted of drunkenness under any circumstances is not allowed to have a driver's license for several years and prison sentences are considered normal punishment for drunken motorists. In regarding legislation not merely as providing for the necessary punishment of the offender but also as an effective preventative measure, Britain has gone in the right direction. It is further advance rather than a fundamental change which would be beneficial."

"Drink," by H. Levy.

- (4) "The range of public danger due to liquor increases as the spread of its use increases. 'For eighteen consecutive months before legal beer's return in April, 1933, the records of 86 leading cities of the United States recorded a consistent average decrease of 77.43 traffic deaths per month compared with similar periods of previous years. Immediately following, during the legal-beer-only period, April to November, 1933, inclusive, the reports from the nation's leading cities registered an extraordinary right-about-face.' For the record of those eight months, instead of a decrease, showed an average of 42.25 more deaths per month than for the same months of 1932. During 1934 the number of drinking drivers involved in fatal accidents increased 29%; the number of drinking pedestrians in such accidents, 53%, according to an investigation made by the National Safety Council in which comparison was made between nine months of 1933 and nine months of 1934, the investigation covering a population of sixty millions in twelve of the larger states and 33 additional cities.' Safety councils, insurance companies, educational agencies, newspapers and officials, have multiplied their safety efforts, in recent years. Progress has been made against the hazards of travel in general, machinery, poison, and fire. But the casualties due to intoxication continue without appreciable reduction."

"Liquor Cult and Its Culture," by Harry S. Warner.

(5) The State of New York in recent legislation has made the act of driving ipso facto consent to be tested, and if the test is refused license can be suspended and on later hearing completely revoked. It is believed this precedent may serve as a guide to other law-makers faced with the same problem. The use of blood, urine or breath analysis in Courts, makes necessary an arbitrary law with respect to

- (1) the blood content of alcohol at which the driver is declared to be impaired, and
- (2) the legal requirement that drivers submit to the test.

### **General Observations:**

This Commission is pleased to learn that Mr. Baillie, Commissioner of Motor Vehicles for Manitoba, has recently been elected President of the American Association of Motor Vehicle Administration of America.

Since this Chapter was prepared, Mr. Baillie has provided us with the following statistics for the year 1954:

- 1954—(1) 268,000 drivers
- (2) 41,671 accident and conviction repeaters
  - (3) 5,597 suspended drivers
  - (4) 1,564 or approximately one-quarter suspended by Registrar for driving while intoxicated or impaired.

It is the view of the Commission that the Safety Division be encouraged to develop more statistics on the subject of the drinking driver.

### **RECOMMENDATIONS**

(1) That the Provincial penalties of drivers' license suspension and motor vehicle impoundment consequent upon convictions for driving while impaired or while intoxicated be reviewed to determine their adequacy.

(2) That the Government continue to encourage the excellent educational work carried on by the Traffic Safety Division, with its emphasis on the danger of drinking drivers and the necessity of preventing the present heavy highway death toll; and that the Division be further urged to keep informed of techniques of highway safety education developed elsewhere, especially as they concern the problem of the drinking drivers; and that consideration be given by the Safety Division to the policy recently adopted by the Ontario Government of endorsing reinstated licenses in red or another color on reinstatement.

(3) That the Provincial Government prepare a submission to the Minister of Justice requesting that, where suspicion of drinking is involved, persons in charge of motor vehicles be required to submit themselves to some accepted form of scientific test to determine the alcohol content of the blood.

## CHAPTER XXVI

### SALE OF ALCOHOLIC BEVERAGES TO MINORS

#### Instructions to the Commission:

Without limiting in any way the general scope of its enquiry as hereinbefore set out, the Commission be instructed in particular to make findings and recommendations with respect to:

Such further matters as the Commission may consider to be incidental to the foregoing, such as sale of alcoholic beverages to minors.

#### FINDINGS

##### 1. The Present Law

- (1) Under the present Act no person may supply liquor to anyone under 21, except a parent, guardian, physician, dentist or on prescription, and then only for medicinal purposes.
- (2) However, there is no specific provision whereby it is an offence punishable by fine, etc., for a minor to consume liquor. Hence, in most cases, the minor who drinks almost always goes free while those who supplied liquor to him are penalized.
- (3) By s. 42 (1) (a), the Commission cannot issue a permit to any person under 21 years of age. A minor who makes application for a permit can be charged under s. 42 (2) and if convicted, is subject to the general penalty (minimum fine of \$20).
- (4) Similarly, no beer license or beer vendor's license can be granted to anyone under 21 nor can a minor or any female be connected in any way with the sale, handling or serving of beer in any beer parlor.
- (5) It is an offence for a minor to enter or remain in or upon any beer parlor. Upon conviction under this section, the minimum fine payable by the minor is \$50. Conversely, any beer licensee who knowingly sells beer to a minor is subject to a minimum fine of \$50. Thus we see that a beer licensee who sells beer to a minor is liable to a charge under either s. 148 (1) or s. 105 (1) (d), the minimum fine of \$50. being the same for either charge. However, the inclusion of the word "knowingly" in s. 105 (1) (d) gives the accused licensee the benefit of the doctrine of *mens rea* or guilty intent and allows the accused to rebut the presumption that he knew the person served was a minor. In this connection it should be noted that the Select Special Committee of the Legislature in its 1952 report recommended that s. 148 (1) be amended so as to be not applicable to beer licensees on the ground that the provisions of s. 105 (1) (d) were sufficient and apparently fairer in dealing with owners and operators of hotels. However, no legislative action was taken on this recommendation of the Committee, save for the addition of s. 148 (3) which provides:

"148 (3) Before serving in a beer parlor any person who appears to him to be under twenty-one years of age, a beer licensee or a beer waiter may demand

proof that he is of the full age of twenty-one years; and if the person refuses to furnish proof, he shall not be served and, on demand of the beer licensee or beer waiter, shall leave the beer parlor; and if he fails to do so, he is guilty of an offence and may be ejected from the beer parlor by a peace officer."

- (6) Minors may not be served in any licensed club nor can they be served or employed in the handling of beer in any licensed canteen.
- (7) They are of course, not allowed to vote on local option by-laws or the repeal thereof.
- (8) The regulations under the Government Liquor Control Act, 1928 (Manitoba Regulations 53/53) provide by s. 12 thereof that one of the conditions for which the holder of a banquet permit will be held directly responsible is that no person under the age of 21 years will be served or permitted to consume liquor at a banquet. The difficulties of enforcement of this prohibition are obvious in that while minors can legally attend a banquet where liquor is served, they may not drink. Enforcement of this action might be aided if it was made an offence for a minor to drink. Under such circumstances, the minor might think twice about consuming liquor if he knew that he too would be subject to a penalty along with the banquet permittee who allowed him to be served.
- (9) It should also be noted that a person who supplies liquor to a minor under 18 years of age may be charged under s. 33 (1) (b) of The Juvenile Delinquents Act, Revised Statutes of Canada 1952, Cap. 160, with doing an act producing, promoting or contributing to a child's being or becoming a juvenile delinquent or likely to make any child a juvenile delinquent. However, as this charge is generally reserved for more serious offences with respect to juveniles, a charge under s. 148 (1) of the Government Liquor Control Act is usually laid as its terms encompass supplying juveniles with liquor.
- (10) A minor under 18 years of age who commits a breach of the Government Liquor Control Act must be charged with committing a delinquency under s. 3 of The Juvenile Delinquents Act.

## 2. Administration

We find:

- (1) That while practically all jurisdictions in Canada and the United States have laws preventing the sale of liquor to minors, in only a small fraction of them are there laws prohibiting the purchase of liquor by minors.
- (2) That people generally, regard sales to minors and consumption in public places by minors as a practice having very serious social consequences and one respecting which the laws should be strengthened and enforcement facilities increased.
- (3) That the number of arrests and convictions appear to be very small in relation to the supposed infractions.
- (4) That in 1953 out of a total of 3,702 convictions for Liquor Act offences, 78 were for convictions for having given liquor to minors, and 44 convictions for minors being in a beer parlor.

### 3. Manitoba Opinion

We find:

- (1) There was complete agreement amongst those appearing before the Commission that the sale of alcoholic beverages to minors should be strictly forbidden. Specific requests were made that nothing should be done which would make liquor more freely accessible to minors.
- (2) That since minors in increasing numbers are finding their way into jobs often at good pay, the problem has assumed greater proportions than formerly.
- (3) There were some complaints that minors have been served in beer parlors but it was generally felt that the law in this respect was being fairly well observed. While there was general criticism there were but few specific cases of this type of infraction reported to the Commission.
- (4) There was some evidence that one of the major difficulties in connection with banquet licenses arises from the fact that minors are so frequently present at these affairs and are illegally served with liquor.
- (5) That liquor is a factor in the seduction of minor females and that in certain family court cases men were found to have induced girls who were minors to consume liquor or beer in hotel rooms and cars in order to obtain their consent.
- (6) That minors are frequently in attendance at dance halls and night clubs at which liquor is consumed contrary to the law. This was commented on by the Executive of the Winnipeg South Liberal Association as follows:

"In contrast to local beer parlours where proprietors are made responsible by law for the exclusion of minors, there are no restrictions as to age in night clubs, restaurant and hotels, and consequently minors join freely with others at these parties and dances."
- (7) The Provincial Council of Women commenting on this point had this to say:

"Under the present system, at Winnipeg's night spots youngsters fifteen and sixteen years old are allowed to drink and get drunk simply because there is no law enforcement."
- (8) The Beverage Dispensers Union, representing a group of licensed beer parlor waiters, suggested that minors themselves should be held responsible for their actions and vigorously prosecuted if they attempted to purchase beer in beer parlors; the Union urged that the entire responsibility should not be placed upon the beer waiter or the licensee.
- (9) The Manitoba Hotel Association recommended that the penalty in respect to minors who seek to obtain beer in beer parlors should be increased from \$50.00 to \$300.00.
- (10) Although most of the presentations contained no suggestion that the age limit of twenty-one years for minors should be lowered, there were some who felt that consideration should be given to doing so. They pointed out that military service camps permit drinking at age eighteen. Some stated that we create law breakers when we make the age limit too

high. Infractions by those just under the present age limit, they contended, resulted in a general disrespect for the liquor law as now written.

- (11) It was frequently suggested that those reaching twenty-one years be required to carry proof of age. The risk of sale to minors is a problem which causes quite as much anxiety to the conscientious licensee as it does to those concerned with preventing it.
- (12) There is very wide spread opinion not only in Manitoba but in other Provinces and other countries that minors should be protected as far as may be possible from public sale and consumption of liquor and that more severe penalties should be provided for infractions of liquor laws respecting them. With this view the Commission is in full agreement.

#### **4. Other Provinces**

- (1) All Provinces except Quebec forbid the sale of alcoholic beverages to young people under twenty-one years of age. In Quebec the age of minors is set at twenty years. All Provinces impose penalties by law upon those who sell liquor to minors, but only the Provinces of Saskatchewan, Alberta, British Columbia, Ontario and Nova Scotia have made provision for penalizing minors for purchasing or attempting to purchase alcoholic beverages.

#### **5. United States**

- (1) The alcoholic beverage control laws of most states forbid the sale of distilled spirits or beer to young people under twenty-one years of age, but there are exceptions to this general practice. In Louisiana, Mississippi and New York, the minimum age is eighteen, and in Illinois the minimum age for a male is twenty-one and for a female eighteen. Beer may be purchased in the states of North Carolina, Ohio, Virginia and West Virginia at the age of eighteen.

Several other states allow young people to be served in licensed premises, such as restaurants, if they are "visibly and personally accompanied by his or her parent, guardian, spouse or adult legal custodian." A few other states allow minors to purchase and consume alcoholic beverages if they are members of the armed forces of the United States.

In some states including Michigan, Oregon, South Dakota and Wisconsin, any person whose age is neither definitely known nor clearly apparent to licensees, is required to present an "age Identification Card" or "Certificate of Age." In some states such a card must be carried by persons between the age of twenty-one and twenty-five years of age who seek to purchase or consume alcoholic beverages in public places. Some other states issue to all persons eligible to vote, a Registration Card or "Statement of Registration," and such cards may be used as proof that the owner has reached the age of twenty-one years.

- (2) The New York State Liquor Authority, 1953, Annual Report contains the following explanation of why the legal age of eighteen years was adopted:



"Eighteen was selected as the legal age in this state on the recommendation of the Conway Commission in 1934. That Committee felt that at age eighteen most youths achieve a degree of emancipation, either by entering college or beginning full-time employment, and that frequently young persons do commence using alcoholic beverages at that age, often with parental consent.

Under the circumstances, the Conway Commission reasoned, it is sensible to permit these youths to be served in premises that are operated under ABC (Alcoholic Beverage Control) licenses and sanctions in an open, law-abiding and wholesome manner. The adoption of a higher minimum age, they reported, would set the stage for drinking by youth either furtively in unlicensed dives or otherwise in violation of law, all of which would lend glamour to the practise and so tend to defeat the purposes of control."

- (3) The New York State Liquor Authority, 1953, Annual Report also makes the following statements regarding drinking by minors:

"Whatever the position or attitude of individual parents, licensees have no right under the law to abandon, neglect or evade their own responsibilities to society and to the state. When the ABC (Alcoholic Beverage Control) Law was enacted the legislature must be presumed to have known:

1. That it was, and would continue to be, impossible to determine the exact age of youngsters from appearance only.
2. That sometimes minors would misrepresent their age, on occasions with supporting documents.
3. That some parents would be irresponsible, indifferent, and disinterested in law observance by their offspring.
4. That licensees would be called upon time and again to deal with demands of under-age youths of various types, some wayward and uninhibited, others bold and mischievous, and still others sly and deceitful.
5. That carelessness in handling, and indifference to the welfare of, delinquent youths on the part of licensees could pose much more serious a social problem than their unconcern with the welfare of more fortunate boys and girls who can rely upon their own parents for guidance, example, help and understanding.
6. That the results of licensee carelessness, inattention or indifference in selling to minors could be just as grievous and far reaching as the results of deliberate, intentional sales.
7. That if a licensee were to be exculpated for selling to minors because they 'appeared' to him to be eighteen or over such sales would become widespread and beyond effective control by the state to the detriment of all concerned."

- (4) In the United States there are various statutory and regulatory provisions supplementing those specifically forbidding sales to minors, among these are:

- (1) those excluding minors from licensed premises;
- (2) those restricting employees of licensed establishments to persons of full age;
- (3) those limiting the issuance of ABC licenses to adults only;
- (4) those relating to purchases for minors;
- (5) those subjecting minors to penalties for buying or receiving, or for misrepresentation of age in connection therewith; and
- (6) those providing for documentary proof of age of patrons whose majority is not clearly apparent.

## 6. Other Countries

- (1) England. By the Education Act, 1921, Sec. 100, it was made an offence to permit any boy under fourteen or girl under sixteen years to be in

any licensed premises for the purpose of singing, playing, or performing, or being exhibited for profit, or offering anything for sale between 9 p.m. and 6 a.m., and if under fourteen, between 8 p.m. and 6 a.m., or to allow any child under twelve to be on licensed premises for the like purpose. Certain very limited exemptions were permitted.

In 1923 the Intoxicating Liquor Act (Sale to Persons under Eighteen) prohibited the sale for on-consumption of any intoxicating liquor to the purchase by any person under eighteen years, but liquor (other than Spirits) may be sold to or purchased by anyone over the age of sixteen years for consumption at a meal in premises not being a bar as defined by the Children Act, 1908. The Act applies to Scotland, and similar legislation is in force in Ireland.

- (2) The laws and regulations with respect to age of minors in many countries are not available. Generally speaking in Europe the tendency is to allow drinking at a considerably lower age than in Canada. In most European countries there is recognition that sale of spirituous liquor to minors is not desirable but in the Southern European countries there is wide use of wine of low alcohol content by young people as well as adults.

## 7. Opinion of Various Authorities

- (1) The Joint Committee of the States to Study Alcoholic Beverage Laws (1952) suggested the following regulations for the control of sale to minors:

Every person licensed to sell alcoholic beverages should be held strictly responsible for the sale, delivery or gift of an alcoholic beverage to a minor on his licensed premises. Only by so fixing responsibility can the state insure compliance with the prohibition against the sales to minors. The licensee's obligation to take all reasonable precautions to prevent such sales should extend to his employees and he should be chargeable for any failure on their part to exercise the same high degree of care that the law requires of him. If this burden is heavy—as it undoubtedly is—it is placed upon the licensee for good cause. In accepting his license he assumes the hazard of such sales and the consequent penalties.

Every licensee should take all of those precautions which a prudent businessman would normally accord to a matter of primary importance to his business to assure himself that his customer is of legal age before selling or serving him an alcoholic beverage.

Selling to minors is a matter of primary importance not only to a licensee's business but to the public interest as well. Unless a licensee is disposed to use, and in actual practice does use, his experience, powers of observation, knowledge of human nature, ingenuity, resourcefulness, and best judgment in ascertaining the age of every youthful patron, he evades one of his most fundamental obligations as licensee. Due care involves searching inquiry, careful observation, and sound judgment which resolves all final doubts against making the sale or service.

Minor responsibility provisions are unjustifiable unless they are conducive to the promotion of true purposes of control. The true purposes of control are the promotion of temperance in the use of alcoholic beverages and respect for and obedience to the law. To be conducive to those ends:

- (1) such provisions must be enforceable, and if in existence, enforced;
- (2) they must not make more difficult and less certain the punishment of those who sell to minors; and
- (3) their enforcement must not serve to destroy the reputations or blight the lives of boys and girls.

Such provisions as to minor responsibility are strongly supported by some A B C (Alcoholic Beverage Control) Administrators and vigorously denounced by others, all of whom, in reaching their respective conclusions have the same end in view, namely, the elimination of sales to minors. From their earliest days the states have been deeply concerned with the welfare of youth and it is of transcendent importance that the states be zealous, astute and circumspect in their concern for the reputations and welfare of their young people. The use of documents by a licensee to assist him in restricting sales of alcoholic beverages to adults only promotes control to the extent that their use contributes to such restriction and it is a justifiable control measure only on that basis. Due care in determining the age of a patron whose majority is neither known nor definitely apparent to a licensee requires, as we have observed, searching enquiry. Generally this should include the production of multiple documents by the patron which identify him and set forth his age or date of birth. To serve any purpose, useful in this respect, they must be authentic, must have been issued to him by a branch of government or other responsible organization or agency and must belong to the patron.

It is a commonly accepted fact that among persons of the same age there is wide variation in the degree of maturity outwardly apparent during youth and adolescence. No scientific method of accurately judging age from appearance has yet been devised and the licensee who depends upon this factor alone acts at his peril. Since licensees have no legal obligation to sell alcoholic beverages to anyone of whose majority they are not certain they should resolve all such doubts by refusing service. We commend for the guidance of all licensees the slogan WHEN IN DOUBT OF A PROSPECTIVE CUSTOMER'S AGE DO NOT SELL.

- (2) An exhaustive survey regarding drinking by minors was done in 1953 among high school students in Nassau County in the State of New York, through the Hofstra Research Bureau. Some of the more interesting findings of this survey were as follows: (Note: Alcoholic beverages may be legally purchased and consumed at age eighteen in New York State).

1. About 79 per cent of the students use some alcoholic beverage sometimes by the time they are fourteen years old. The per cent

of "sometimes" users increases sharply to age sixteen at which time 90 per cent of the students are "sometimes" users of some such beverage.

2. About 66 per cent of the high school students drink on family occasions. Only about 15 per cent of those who use alcoholic beverages do not use it with their families.

3. By the time they are eighteen and over all of them have some friend or friends who use alcoholic beverages.

4. More students use alcohol on week-end days (Friday, Saturday, Sunday) than on the other four school days. The week-end consumption per drinking student is also greater. In fact, 71 per cent of the total week's consumption occurs on Friday, Saturday and Sunday and only 29 per cent during the other four school days.

5. Very few parents (5%) never use alcoholic beverage, according to the students' reports. 72 per cent use it occasionally, and 21 per cent frequently. 93 per cent of the parents of these high school students keep supplies of alcoholic beverages in their homes.

6. Permission to use some alcoholic beverage at home sometimes is high at 14 years and becomes nearly universal by the time the students are 18 years old. There is a much lower degree of permissiveness for use of these beverages away from home, but it becomes fairly high after the student is 15 years old.

7. About half the boys and two-thirds of the girls say alcohol does not help people get along better at parties.

8. Use of alcoholic beverage by students is directly related to use by the parents. If the parents use none there is a strong tendency for their children to use none or, if the children use it, to use small quantities. Both the per cent of offspring using and consumption per user is greater where parents drink frequently than it is where the parents use it occasionally.

9. Nassau County is, so far as may be judged from high school students, an area which uses alcoholic beverages widely and temperately. Parents of 95 per cent of the high school students use alcoholic beverages and 93 per cent keep some beverage in the home. About 90 per cent of the students sixteen years of age or older, use alcoholic beverages sometimes. However, in an average week, only about 48 per cent of the students drink anything and only about 18 per cent drink any hard liquor. Beer and wine are used with much greater frequency than is hard liquor.

While the high school students are a temperate group, a small number—two to five per cent perhaps—are probably intemperate and may be responsible for the alarm with which use of alcoholic beverages by all high school students is viewed.

10. It appears from the frequency with which "first drinks" are obtained at home that modern parents may be striving to teach their offspring the controlled use of these beverages, take the mystery and adventure out of them, and remove them as a goal of "maturity."

11. The present study shows that sellers are faced with a real problem. Many under-age boys who wish to buy at bars carry false "proof-of-age." Of the fourteen heaviest-drinking boys in this study, two were of "legal" age. Ten of the remaining twelve carried false "proof-of-age." The "soft-spot" for the under-age buyer is apt to be the grocery store rather than the tavern or liquor store.

12. There seems to be a fairly high respect for the parental law both among students "never-permitted" to drink and students permitted to drink "at-home-only."

The per cent of students who drink during a given week is greatest among students permitted to drink occasionally both "at-home-and-away" from home. Their consumption away from home is twice as great as that at home. Parents who give their children such permission will do well to consider carefully with the children the amount consumed away from home. It may not be assumed that the amount consumed away from home will be about the same as that at home.

(3) Summary of the Views of Mr. H. H. Hill, Director Washington State Temperance Association regarding drinking by minors:

In practically every country of the western world there is growing concern about the problem of minors drinking. While the definition of what a minor is varies greatly from country to country, and in the United States from state to state, there is nevertheless a general recognition that drinking before maturity is a very serious matter. The reason for this, although it is in many cases probably subconscious, is chiefly the problem arising from modern society.

Throughout childhood parents and others concerned with the young make decisions, lay down rules and regulations which are not supported by intellectual explanation and generally stand between the child and many of the consequences of his mistakes. It is a period when he is taught how to behave, rather than why he should behave in a certain manner. He is forgiven because he does not know what is right and the effort is to teach him what is right. Some time between this period and the time that he is accepted as an adult by society and by the state, he is expected to achieve understanding and responsibility.

The period of adolescence is a period of internal and external ambiguities. The youth feels himself grown up at times, but again at other times he wishes to be a child without adult responsibilities. He finds that while in many areas he functions easily as an adult, in others he is quite unable to determine what his proper responsibilities are. While he is in this dilemma, part of the adult world will still consider

him a child and part will require that he behave as an adult. What is worse, the very same adult human being will at times treat him as a child and at times expect adult behavior. The consequence of these ambiguities is tremendous tensions and frustrations. This is widely recognized by all when we admit that adolescence is a difficult period.

In this situation the youth is inevitably faced with the problem of whether to drink or not. The decision may be within the confines of the family and there quite clearly determined one way or the other. It will, however, certainly recur within his social groups. Here he is under the pressure of his contemporaries and their approval exerts a strong pressure on his decision.

Two very real difficulties arise, whether to drink or not to drink. The first of these centres about the fact that in many segments of our society, and particularly in segments of the society of the young, drinking is often viewed as a prerequisite of adulthood and as an assertion of adulthood. The youth, who feels unsure of himself, may drink to prove that he is grown up, but his unsureness arises from the fact that he is not adult and rather confused. The consequence of drinking in such a case is the impairment of even such mature judgment as he has acquired. This may lead to juvenile delinquency and crime.

The second serious difficulty is that the youth may come to feel that drink provides assurance and ease, and in the painful situation produced by his tensions and frustrations he may turn to drink for alleviation. Whether he drinks first to alleviate a painful situation, or having decided to drink from some other motive discovers that the painfulness of his situation is relieved, the result will be the same. He has discovered that the pain of reality disappears, at least temporarily, in drink. Such a discovery may begin the establishment of a pattern of drinking to "escape." When new situations arise, which are painful, the youth no longer tries to work his way through them but turns to alcohol as a quick escape. This is the pattern which, unless it is recognized and arrested, inevitably leads to alcoholism. Research on the problem of alcoholism tends everywhere to confirm the fact that the majority of alcoholics established in their youth this pattern of drinking.

There are, then, two very serious and probable consequences of youthful drinking which make it obligatory for society to do all in its power to protect the youth from alcohol. They are:

1. Drinking to assert adulthood, which results in impairment of such mature judgment as has been acquired, and may lead to juvenile crime, delinquency or further complications of the problem of growing up, which is already so difficult; and
2. Establishment of a drinking pattern in which the narcosis of drink is sought to avoid the painful resolution of the frustration and tensions of adolescence. This pattern is the beginning pattern of alcoholism.

Minors should not drink, because the adolescent period is the most critical period of life with respect to character formation.

1. A child lives under the direction of its parents.
2. In tender years it has no basis for judgment and relies on the parents for decisions.
3. There comes a transition period during adolescence—generally corresponding to teen age years—a period of uncertainty when the young person is standing between protected childhood and unprotected maturity.
4. As maturity is reached the person can then be expected to make his or her own decision on the basis of considered judgment. He is both wise and fortunate if he then finds no bond of habit limiting his power of decision.

## RECOMMENDATIONS

1. That for the purpose of liquor legislation a minor continue to be defined as any person under 21 years of age.
2. Other recommendations affecting minors will be found in the sections on Method of Sale, On-Premise Outlets and Enforcement.

The abolition of the permit system places a greater responsibility upon clerks in government liquor stores and brewery cash and carry stores and upon hotel beer vendors to see that no sales are made to minors. This will present a particular problem during rush hours and note should be taken of this fact. A similar great responsibility will rest upon the shoulders of licensees and their employees in any of the new outlets which may be established under any permissive law that may be passed upon the recommendation of this Commission. The Commission, therefore, urges that the Liquor Control Commission be instructed to give careful instruction on this matter to all involved in these responsibilities, and that it utilize to the fullest extent its own inspectorial staff and all police officers in the Province to see that these problems are given the utmost attention at such time as any changes come about.

## OBSERVATIONS BY MRS. J. WHITEFORD

- (1) Minors must be excluded from licensed premises.
- (2) They must not be employed in licensed premises.
- (3) They must be held responsible if they procure alcoholic beverages illegally.
- (4) Proof of age should be required.
- (5) The present legal age of twenty-one years should be maintained.
- (6) The licensee must be responsible for sale, delivery or gift of an alcoholic beverage to a minor.

- (7) Every precaution of a prudent business man must be taken by licensee.
- (8) Penalties for infractions in either case must be severe enough to obtain results.
- (9) Parents should be made responsible for the actions of their children to curtail this tendency to law breaking.
- (10) Law enforcement with respect to minors must be taken seriously by all branches of society.

#### OBSERVATIONS BY MR. BRACKEN

There are widely divergent views all over the world as to what the legal age of minors should be in relation to the purchase and consumption of liquor. The United Kingdom once had it as low as 14 years of age and even in Manitoba at one time in its early history this age limit for liquor sales to minors was in effect. A more ancient authority, Plato, was of the view that it should be 30. Ordinarily now in most countries it varies between 18 and 21 years.

Two members of the Commission were of the view that it should be reduced to 18 years in Manitoba, two others were of the view that it should not be altered from 21 years as at present.

I suggested a compromise at 20, but since this was not acceptable to any two of the other Commissioners, I was of the view that it should either remain as it is or await the considered judgment of a more widely representative body, namely the Legislature of Manitoba.

#### RESERVATIONS BY MAJOR-GENERAL H. J. RILEY

Manitoba should expect education to equip the normal person with the knowledge necessary for adequate behaviour and where the requirements of society permit, leave to them the responsibility for the development of controlled habits. This responsibility should be assumed as early as reasonably possible and the age for minors should be reduced. New York State, after an extensive survey, adopted eighteen. Their reasons appear sound and they have not changed their views.

Unless such amendments to the recommendations are accepted the Act will not have the general support it needs and the Liquor Control Commission will be unable or unwilling to enforce it, and the present lack of respect for law will continue.



## CHAPTER XXVII

### THE USE OF LIQUOR BY INDIANS

#### Instructions to the Commission:

Without limiting in any way the general scope of its enquiry as hereinbefore set out, the Commission be instructed in particular to make findings and recommendations with respect to:

Such further matters as the Commission may consider to be incidental to the foregoing matters, such as the use of liquor by Indians.

#### FINDINGS

##### 1. The Present Law

- (1) There are only two references to Indians contained in the Government Liquor Control Act—Section 42 (c) and Section 92. The former prohibits the issue by the Commission of any kind of permit to any “Indian”; while the latter prohibits an “Indian” from entering, being in, on or remaining in any beer parlor.

On the face of it, these prohibitions are quite clear and incapable of being misconstrued. However, there is in the present Act no definition of an “Indian” nor is such a definition to be found in The Interpretation Act, RSM 1940 Cap. 105. Further, it appears that the courts of this province have never interpreted the meaning of the word as used in our present Act.

The Commission has no separate policy with regard to the enforcement of these prohibitions against “Indians,” save that it does prohibit the issue of permits to “Treaty Indians” and forbids them from being in or upon beer parlors. “Treaty Indians” found by the police consuming liquor in any place other than a reserve are usually prosecuted under The Indian Act, R.S.C. 1952 Cap. 149.

- (2) It would therefore be advisable, if in any future legislation it is deemed expedient to maintain the present prohibitions against Indians, to define in the Act the meaning of the word “Indian.” It should also be noted that while “Indians” are presently forbidden from entering beer parlors and holding liquor permits, they are not specifically forbidden from being in other licensed premises, such as clubs and canteens, or from consuming beer therein. This omission, coupled with the absence of any definition of “Indian,” renders even more difficult the overall enforcement of the prohibition against the having or consumption of liquor by Indians.
- (3) Any discussion of the Indian problem would be incomplete if reference were not made to The Indian Act passed by the Parliament of Canada. In this legislation an Indian is defined by Sect. 2 (1) (g) as meaning a person who pursuant to the Act is registered as an Indian or is entitled to be so registered. The prerequisites and disabilities for registration as an Indian are set out in Sects. 11 and 12 of the Act.

- (4) The prohibition against supplying liquor to and the having and consumption of liquor by Indians contained in Sects. 93-96 of The Indian Act are as follows:

S. 93. "A person who directly or indirectly by himself or by any other person on his behalf knowingly

- (a) sells, barter, supplies or gives an intoxicant to
  - (i) any person on a reserve, or
  - (ii) an Indian outside a reserve.
- (b) opens or keeps or causes to be opened or kept on a reserve a dwelling house, building, tent or place in which intoxicants are sold, supplied or given to any person, or
- (c) Makes or manufactures intoxicants on a reserve, is guilty of an offence and is liable on summary conviction to a fine of not less than fifty dollars and not more than three hundred dollars or to imprisonment for a term of not less than one month and not more than six months, with or without hard labour, or to both fine and imprisonment."

S. 94. "An Indian who,

- (a) has intoxicants in his possession,
- (b) is intoxicated, or
- (c) makes or manufactures intoxicants

off a reserve, is guilty of an offence and is liable on summary conviction to a fine of not less than ten dollars and not more than fifty dollars or to imprisonment for a term not exceeding three months or to both fine and imprisonment."

S. 95. "(1) No offence is committed against subparagraph (ii) of paragraph (a) of section 93 or paragraph (a) of section 94 if intoxicants are sold to an Indian for consumption in a public place in accordance with a law of the province where the sale takes place authorizing the sale of intoxicants to a person for consumption in a public place.

(2) This section shall not come into force in any province until a proclamation bringing it into force in the province is issued by the Governor in Council at the request of the Lieutenant-Governor in Council of the province."

S. 96. "A person who is found

- (a) with intoxicants in his possession, or
  - (b) intoxicated
- on a reserve, is guilty of an offence and is liable on summary conviction to a fine of not less than ten dollars and not more than fifty dollars or to imprisonment for a term not exceeding three months or to both fine and imprisonment."

As s. 95 of The Indian Act is not in force in Manitoba, it is unlawful to sell liquor to a registered or "Treaty" Indian outside a reserve and for such an Indian to have intoxicants in his possession off a reserve.

## 2. Administration

We find:

- (1) that The Indian Act of the Federal Parliament prohibits the use of liquor by Indians (except for medicinal purposes) on or off Indian reservations. However, s. 95 of the Act does permit any province to allow Indians to consume liquor in licensed public places (on-sale only) in accordance

with the law of the province, where the sale takes place, authorizing the sale of intoxicants to a person for consumption in a public place.

Even where a province invokes this section, it does not free Indians from the other prohibitions under The Indian Act, such as being intoxicated on or off a reservation, being in possession of liquor other than in a lawful public place or purchasing liquor other than in licensed on-sale premises;

- (2) that the word "Indian" as used in the Federal law is taken to mean "Treaty Indian."
- (3) that the Manitoba law denies to Indians the right to even enter a beer parlor and denies them the right to purchase or consume liquor legally;
- (4) that if the province were to allow on-premise consumption to Indians there would be no clash with the Federal Law, providing the province issued a proclamation making effective in this province Sec. 95.1 of The Indian Act.

### 3. Manitoba Opinion

- (1) A majority of the Indian Bands in Northern Manitoba expressed a desire to have the right to be treated as other people in Canada with respect to liquor laws.
- (2) Following a Council Meeting held on The Pas Indian Reservation in August, 1954, which was attended by the Chiefs of all the Indian bands in that area, a request was made to the Commission by the Chiefs themselves. They reported that present conditions on their reserves were far from satisfactory and the majority was largely in favour of allowing them to purchase liquor legally as other people do. The Council of Chiefs requested that legal access to liquor be allowed to Treaty Indians on a two year trial basis.
- (3) Several representations to the Commission made mention of the seriousness of the liquor problem among Indians in parts of Northern Manitoba, particularly with respect to the sale by bootleggers to Treaty Indians. One representation in The Pas was to the effect that a high percentage of their local court cases concerned Indians who drink illegally. Regarding the existence of bootleggers who sell to Indians, it was stated as follows:

"When a Treaty Indian pays \$2.00 (to a bootlegger) for an eighty cent bottle of wine, he is embarrassed knowing that he has broken the law and so gulps it down rather than risk being caught with a part bottle and then rushes back to the reservation for protection. As long as a Treaty Indian is forced to pay \$2.00 for an eighty cent bottle we are bound to have bootleggers."
- (4) A number of other views, including those from a prominent church organization that works with Indians, suggested that forbidding sale of liquor to Treaty Indians not only set them apart from non-Treaty Indians but made them feel a sense of inferiority and made them easy prey for bootleggers.

- (5) There were some representations opposed to the granting of this request. One of these urged not only that Indians be denied legal access to liquor but that restrictions should be placed upon non-Treaty Indians.
- (6) Some representations were received also from areas remote from urban white communities suggesting that illegal and drunken behaviour while characteristic of settlements near white centres, were much better in the outlying areas and that it would be a mistake to allow legal sale in such areas.

#### **4. Other Provinces**

We find:

- (1) that British Columbia, Ontario and Nova Scotia have legalized the sale of liquor to Indians in licensed establishments.

#### **5. State Law (U.S.)**

We find:

- (1) that the Federal Government of the United States repealed its ban on sales to Indians by Public Law No. 277 approved August 15, 1953;
- (2) that several states have removed their ban since that date. We are advised that in the states of Washington and Minnesota where the ban against Indians has been removed after a short period of excess, they found no serious consequences as a result;
- (3) that in certain states local option provisions prevail among Indian communities as well as among other sections of the state.

#### **6. General Observations**

- (1) Among scientific authorities the view prevails that there is no physical reason why Indians should be denied liquor while other people are permitted to have it. The view is widely held, however, that the drinking customs, habits and practices of Indians may be such that there would be excesses, if liquor were freely available, at least until such time as more moderate customs became adopted;
- (2) The restrictions generally applicable against Indians in this and other parts of the continent, are said to arise from the fact that in the early days the Indians having had no previous experience whatever with liquor, were found to use it to such excess that it became most objectionable both on social and economic grounds.
- (3) In the early days when the administration of this country was under the control of the Hudson's Bay Company, restrictions were placed upon the sale of liquor to Indians and such restrictions have been continued under every type of administration since that time.
- (4) Excesses in drinking by Indians were originally not frowned upon by some business interests but control got out of hand and resulted in restrictions completely forbidding the sale of all alcoholic beverages to Indians.

- (5) The first legislative restrictions regarding intoxicating liquor in what is now the Dominion of Canada concerned its sale to Indians (1663). It was said that the spirits given in exchange for furs produced such devastating effects upon the native population that restriction of the traffic became necessary.
- (6) The excesses by Indians in the early days and later, arose in part because they had had no previous experience with liquor whatever, had developed no drinking customs, and being entirely at a loss to know how to handle it, found they were helpless victims of circumstances not of their own choosing.
- (7) Treaty Indians in Manitoba are not now without liquor even though the law prohibits sales to them. They manage to secure it and use it to excess in many cases to the embarrassment of adjoining white communities. Even without legal permission they are able to secure it, one reason being that a Treaty Indian cannot be distinguished from his non-Treaty relatives who live outside the reservation and who have the legal right to purchase it and to drink it.
- (8) In certain areas where liquor is legally denied to Indians they purchase certain forms of drugs, medicaments, extracts, or grocery items which contain alcohol.
- (9) Some point out that since Indians feel under compulsion to obtain liquor illegally, where they cannot obtain it legally, there never will be any hope of establishing either abstinence or socially acceptable drinking habits among them as long as legal sale to them is prohibited.
- (10) A prominent official of the Indian Health Services in Ottawa commented that he knew of no scientific studies showing that liquor affects Indians biologically any differently than other people. He commented "I think that our ultimate goal should be to obtain complete assimilation of the Indian, and the sooner all discriminations are abolished the better."

## Concluding Observations

Many distressing accounts were brought to our attention with respect to the Indian population adjacent to The Pas in relation to liquor and several recommendations have been made to us from persons very much concerned with their welfare.

We have found among other things

- (a) that there are reported to be in Manitoba about 20,000 Indians belonging to some 52 bands in 4 different tribes.
- (b) that in considerable numbers they are obtaining beer and other liquor from illegal sources and consuming it under conditions that are neither desirable nor creditable to themselves or to the communities where they dwell.
- (c) that excesses are frequent.

- (d) that eleven bands out of twelve in Northern Manitoba asked for legal access to the purchase of liquor rather than be forced to continue present practices.
- (e) that they wished this privilege granted on the basis of a two year trial.
- (f) that in view of the present undesirable condition of affairs the representative of the Church of England in charge of church work among some Northern bands strongly recommended that they be placed in the same position as non-Indians.

It is our view that while Indians have many problems arising from the use of liquor, that so long as they continue to be wards of the State and denied privileges that others receive and are thus forced to buy liquor illegally at double the ordinary price, and to consume it in circumstances far from respectable, that the present unsatisfactory conditions will continue.

Legal access to beer outlets would not of course solve their problems. The right to be regarded as worthy of the right to vote is perhaps more important. While the final issue is not clear, it would seem that an experimental trial in a few places would be worthy of consideration.

## RECOMMENDATIONS

Testimony was offered to us that Indians illegally consume liquor and that such consumption is necessarily furtive and undesirable. Insufficient evidence was presented, however, to enable this Commission to determine what the results would be if Indians were granted full drinking privileges. It is necessary, therefore, to act upon the broad principle that Indians should be regarded as any other section of the population. Accordingly, we recommend that Indians in Manitoba be legally permitted to enter licensed premises and to purchase and consume liquor therein and that they be allowed to purchase liquor for off-premise consumption in a residence other than where prohibited by Federal law. The rights thus extended should be granted only on a two year trial basis, at the end of which time the matter should be reconsidered and such action taken as experience and circumstances warrant.

## CHAPTER XXVIII

### THE FIVE CENT CHARGE ON OUTSIDE BEERS

#### Instructions to the Commission:

Without limiting in any way the general scope of its enquiry as hereinbefore set out, the Commission be instructed in particular to make findings and recommendations with respect to:

Such further matters as the Commission may consider to be incidental to the foregoing matters, such as the five cent charge on outside beers.

#### FINDINGS

##### 1. The Present Law

The present law leaves with the Government Liquor Control Commission the power to control the sale of beer in Manitoba and to fix the price to consumers who purchase it.

##### 2. Administration

We find:

- (1) that in December, 1936, the Liquor Commission by regulation required that the price of beer manufactured outside of Manitoba and sold in this province be fixed at a price of Five Cents per bottle above that required for locally manufactured beer.
- (2) that this regulation has continued ever since and is now in effect.
- (3) that the reasons for this decision were given by the Attorney-General of that time (a copy of his statement attached).
- (4) that the occasion which gave rise to this policy was the restriction on sales of Manitoba beer in adjoining provinces, and the pressure of sales of outside beer in this province. The result was that while Manitoba sales in other provinces were forced down, the sales of outside beer in this province had increased (87,000 gallons in 1935 to 235,000 gallons in 1937). (See table 28a.)
- (5) that a full statement of the case was published in the newspapers at that time by Mr. Travers Sweatman, K.C., on behalf of Pelissier's Brewery Limited (a copy of this statement attached).
- (6) that the Government of Manitoba in 1936 in the words of the Attorney-General of that time "did not see fit to request the Liquor Commission to cancel its recent price adjustment having in view more equitable treatment for local barley growers, local industries, local workers and local tax paying institutions as well as provincial revenues."
- (7) that from information supplied at our request by the Brewers of Manitoba the situation with respect to this matter does not now differ substantially from 1936 (see statement of Brewers' Representative attached).
- (8) that the gain to the Manitoba Liquor Commission as a result of this policy amounted to a total of \$2,028,000 in the 17 years from 1937-54, or an average of \$120,000 per year. Revenue from this source has been

decreasing in recent years from a maximum of \$239,000 in 1949 to \$104,000 in 1954 (see table 28b).

- (9) that while this practice is regarded by some as a technical infringement of the principle of inter-provincial trade, it is also a practical defence against technical infringements of inter-provincial trade by other provinces to the disadvantage of Manitoba. The chief merit of the policy lies in the partial protection of employment in Manitoba and of tax revenues to governmental bodies in this province. As a matter of information it may be stated that more beer is still imported into Manitoba for sale in this province than is exported out of Manitoba for sale in other provinces.
- (10) that the decisions made by the Manitoba Liquor Commission of 1936 met with the approval of the Government of that time and has met with the approval of every Government in the 19 years since then. In view of this fact, and since it is not a matter which comes under the specific terms of reference to this Commission, we are somewhat hesitant to make a recommendation concerning it. It seems to us, however, that any decision on the matter now should be determined, as it was then, not from the point of view of the manufacturers concerned, but wholly from the point of view of employment in Manitoba and the preservation of municipal, city, and governmental revenues within the province.

TABLE 28A

STATEMENT SHOWING GALLONS OF BEER SOLD BY EASTERN BREWERIES IN MANITOBA AND GALLONS OF BEER SHIPPED OUT OF THE PROVINCE BY MANITOBA BREWERIES

| Year   |       |                 | Exports of<br>Manitoba Beer | Imports of<br>Eastern Beer |
|--------|-------|-----------------|-----------------------------|----------------------------|
|        |       |                 | (Gallons)                   | (Gallons)                  |
| Ending | April | 30th, 1929..... | 847,727                     | 174,586                    |
| "      | "     | " 1930.....     | 824,442                     | 195,199                    |
| "      | "     | " 1931.....     | 309,339                     | 96,648                     |
| "      | "     | " 1932.....     | 60,707                      | 79,211                     |
| "      | "     | " 1933.....     | 40,283                      | 61,918                     |
| "      | "     | " 1934.....     | 56,391                      | 62,828                     |
| "      | "     | " 1935.....     | 158,393                     | 87,695                     |
| "      | "     | " 1936.....     | 271,563                     | 86,925                     |
| "      | "     | " 1937.....     | 149,916                     | 234,798*                   |
| "      | "     | " 1938.....     | 23,265                      | 59,836                     |
| "      | "     | " 1939.....     | 22,050                      | 44,518                     |
| "      | "     | " 1940.....     | 27,360                      | 38,661                     |
| "      | "     | " 1941.....     | 38,718                      | 61,242                     |
| "      | "     | " 1942.....     | 41,301                      | 123,689                    |
| "      | "     | " 1943.....     | 37,476                      | 129,365                    |
| "      | "     | " 1944.....     | 29,376                      | 173,943                    |
| "      | "     | " 1945.....     | 60,660                      | 196,887                    |
| "      | "     | " 1946.....     | 57,150                      | 237,454                    |

\*Commencing 8th December, 1936, 5c extra per bottle charged on Eastern Beer.



|                                          |         |         |
|------------------------------------------|---------|---------|
| Ending March 31st, 1947 (11 months)..... | 68,220  | 260,538 |
| “ “ “ 1948.....                          | 133,551 | 313,159 |
| “ “ “ 1949.....                          | 90,360  | 359,711 |
| “ “ “ 1950.....                          | 112,500 | 309,389 |
| “ “ “ 1951.....                          | 53,550  | 227,183 |
| “ “ “ 1952.....                          | 25,020  | 178,960 |
| “ “ “ 1953.....                          | 62,640  | 170,938 |
| “ “ “ 1954.....                          | 81,180  | 156,538 |

Source: Government Liquor Control Commission.

TABLE 28B

STATEMENT SHOWING GALLONS OF BEER SOLD BY EASTERN BREWERIES IN MANITOBA AND PROVINCIAL REVENUE DERIVED FROM THE 5c CHARGE ON SAME

| Year                              | Imports of<br>Eastern<br>Beer<br>(Gallons) | Revenue from<br>5c per Bottle<br>Charge on<br>Outside Beer |
|-----------------------------------|--------------------------------------------|------------------------------------------------------------|
| Ending April 30th, 1929.....      | 174,586                                    | .....                                                      |
| “ “ “ 1930.....                   | 195,199                                    | .....                                                      |
| “ “ “ 1931.....                   | 96,648                                     | .....                                                      |
| “ “ “ 1932.....                   | 79,211                                     | .....                                                      |
| “ “ “ 1933.....                   | 61,918                                     | .....                                                      |
| “ “ “ 1934.....                   | 62,828                                     | .....                                                      |
| “ “ “ 1935.....                   | 87,695                                     | .....                                                      |
| “ “ “ 1936.....                   | 86,925                                     | .....                                                      |
| “ “ “ 1937.....                   | 234,798*                                   | .....                                                      |
| “ “ “ 1938.....                   | 59,836                                     | \$ 39,890.40                                               |
| “ “ “ 1939.....                   | 44,518                                     | 29,678.40                                                  |
| “ “ “ 1940.....                   | 38,661                                     | 25,773.60                                                  |
| “ “ “ 1941.....                   | 61,242                                     | 40,827.60                                                  |
| “ “ “ 1942.....                   | 123,689                                    | 82,459.20                                                  |
| “ “ “ 1943.....                   | 129,365                                    | 86,242.80                                                  |
| “ “ “ 1944.....                   | 173,943                                    | 115,962.00                                                 |
| “ “ “ 1945.....                   | 196,887                                    | 131,257.80                                                 |
| “ “ “ 1946.....                   | 237,454                                    | 158,302.80                                                 |
| Ending March 31st, 1947 (1) ..... | 260,538                                    | 173,691.60                                                 |
| “ “ “ 1948.....                   | 313,159                                    | 208,772.40                                                 |
| “ “ “ 1949.....                   | 359,711                                    | 239,806.80                                                 |
| “ “ “ 1950.....                   | 309,389                                    | 206,259.00                                                 |
| “ “ “ 1951.....                   | 227,183                                    | 151,455.00                                                 |
| “ “ “ 1952.....                   | 178,960                                    | 119,306.40                                                 |
| “ “ “ 1953.....                   | 170,938                                    | 113,958.60                                                 |
| “ “ “ 1954.....                   | 156,538                                    | 104,358.60                                                 |
| Total.....                        |                                            | <u>\$2,028,003.00</u>                                      |

\*Commencing 8th December, 1936, 5c extra per bottle charged on Eastern Beer.

(1) 11 months only.

Source: Government Liquor Control Commission.

## RECOMMENDATION

Our recommendation is, therefore, as follows:

Having reviewed the circumstances in connection with this charge as set forth in the findings, we recommend that there be no change in the present practice of charging an additional five cents per bottle for extra-provincial beers.

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### MEMORANDUM TO THE MANITOBA LIQUOR ENQUIRY COMMISSION

#### Submitted on Behalf of the Brewers of Manitoba Respecting the Sale Price of Bottled Beer Manufactured Outside the Province of Manitoba

In compliance with the request of the Commission I have enquired whether similar conditions now exist in Manitoba as existed in 1936, when the Manitoba Government Liquor Control Commission increased by five cents per bottle over the price of locally manufactured beer its sale price of bottled beer manufactured outside of Manitoba.

From my investigation and enquiries I am satisfied that conditions are the same now as they were in 1936, when the said increase in price was made by the Commission.

The conditions existing in 1936 are set forth in a statement issued by the then Attorney-General, the late Honourable W. J. Major. For your information I attach a copy of this statement as reported in the "Winnipeg Free Press" in its issue of December 19th, 1936.

The position at that time of one of the Winnipeg brewers was set out in two articles published in the Winnipeg newspapers in January, 1937, and for your information I am attaching to this memorandum copies of these articles, entitled respectively "Who Wants One-Way 'Free Trade' in Beer" and "Why Not Take Care of Our Own?"

I am also satisfied from enquiries I have made that similar conditions still exist in Saskatchewan and Ontario as existed in 1936.

In Saskatchewan the Liquor Commission of that Province still prohibits the sale in hotels, clubs and canteens of bottled beer manufactured in Manitoba, as it did prior to December, 1936. Manitoba brewers are limited in Saskatchewan to the sale of 24-bottle cartons through Saskatchewan Government liquor stores and are prohibited from selling their products in Saskatchewan except through Government liquor stores.

The Manitoba brewers who lost business as a result of the Saskatchewan restrictions have, by reason of the restrictions, never been able to regain that market, and there are now only two Manitoba brewers who ship a limited amount of bottled beer to Saskatchewan for sale only in Government liquor stores.

In Ontario a Manitoba brewer desiring to sell his product in that Province is still required to pay a much higher license fee than an Ontario brewer doing the same amount of business in the Province. The Ontario license fees, gallonage tax and other restrictions are still discriminatory against brewers manufacturing their products outside of Ontario, with the result that no Manitoba brewer can profitably do business in Ontario, and no Manitoba brewery ships any of its products for sale in Ontario.

So far as I have been able to ascertain, other Provinces of Canada have made no change in their restrictions against the sale of beer manufactured extra-provincially, and I am advised by the Manitoba Government Liquor Control Commission that no request has been made in Manitoba in recent years for a change in the practice which has existed here since 1936.

I hope the foregoing covers the information you requested and that it will be of assistance to you.

"F. G. Mathers"

Submitted by

Mr. F. G. Mathers, Manager, Brewery Products Ltd.,  
January 13th, 1955.

## STATEMENT OF THE ATTORNEY-GENERAL OF MANITOBA

which appeared in the "Winnipeg Free Press" December 19th, 1936

The attorney-general's statement in full, follows:

"The Government Liquor Control Act of Manitoba gives authority to the Liquor Control Commission to issue a brewer's license to any brewer in Canada. This license gives authority to the brewer to sell beer manufactured by him to the Government Liquor Control Commission and to no other person.

All beer brought into the Province of Manitoba is brought in under requisition from the Liquor Commission, and any imported otherwise than by order of the Commission is contrary to the statute.

Under the licensing authority the Commission has issued licenses not only to the brewers of Manitoba, but also to brewers in the provinces of Ontario and Quebec, the outside licenses being held by John Labatt Ltd. of Ontario, Carlings Brewery, a subsidiary of the Brewing Corporation of Canada in Ontario, and the National Breweries of Quebec.

There is no difference in the license fee charged to Manitoba brewers and other Canadian brewers. They all pay the same fee and the same tax. When the Commission purchases beer from any brewer, no matter where located, the same price is paid for such beer, no distinction being made as to where it is manufactured. In other words, the brewers of Canada are on equal footing in the Province of Manitoba in regard to license fees, gallonage tax, and to the money paid by the Liquor Commission to such brewers for their products. Their products are sold from the same agencies in Manitoba as sell the Manitoba products.

The treatment accorded by Manitoba to other brewers in Canada who desire to come in here has been as generous as that of any province in Canada, in fact more generous than in the majority of provinces.

Take the province of Ontario as an illustration. The Manitoba brewer has to pay as a license fee, \$5,000. An Ontario brewer may pay as little as \$750. While the maximum license fee required of an Ontario brewer may be \$5,000.00, the fact remains that Manitoba brewers are required to pay three times as large a license fee for the business done in Ontario as Ontario brewers doing the same amount of business as the Manitoba brewer.

Take the gallonage tax paid to the Province of Ontario. The Ontario brewer pays for beer brewed from malt or hops 7.7 cents per gallon. The Manitoba brewer pays to the Ontario government 8½ cents per gallon.

This discrimination against Manitoba business has existed for years but so far as we can learn not a voice has been raised by anyone in Manitoba in protest against this discrimination.

Then take the Province of Saskatchewan as another example.

Manitoba brewers were doing an annual business in Saskatchewan of approximately \$1,200,000. This was at a time when all brewers were on an equal footing in Saskatchewan. That sum total of business done by Manitoba brewers in Saskatchewan does not exceed \$50,000.00 per annum. The reason for such heavy loss is due solely to the action of the Saskatchewan authorities, by first creating a variation in price of Manitoba-made goods and later by restricting the sale of Manitoba goods to the government stores. Today it is impossible to secure Manitoba beer in the beer parlors of Saskatchewan.

The result has been that many of the Manitoba industries have suffered considerably. The farmers who grow the malt barley, the bottle making business, the case and carton manufacturers, the printers, the brewers and bottlers supply companies along with other industries all have suffered and many have urged the government to render assistance in restoring their lost business.

The Brewery Corporation of Canada in Ontario, the National Brewers Corporation in Quebec, two of the most powerful combines in the Dominion, together with John Labatt Limited of Ontario, have secured licenses to do business in this province. The Ontario Brewery

Corporation operates its Manitoba business under the name of its subsidiary, Carling's Brewery, and with Labatt Limited, has been very active during the past summer in selling beer in Manitoba, and more recently the National Breweries of Quebec has come into the picture. From the volume of sales that have been made by these brewers it is estimated that in the 12 months there will be approximately \$350,000 paid to outside brewers, of which not a single dollar will be spent in the province of Manitoba except for the operation of the brewery warehouses.

Representations have been made to us frequently that the industries of Manitoba are being crippled, and crippled seriously, because of the unfair competition which prevails and the discrimination placed against Manitoba industries in other provinces.

In the early part of September a delegation of some 30 representatives of business, employers of labor and labor organizations waited upon the government and urged that not only the business of the province be protected, but that the position of the wage earner be made more secure than it was at that time by reason of the fear of impending dismissal on account of falling off of business.

Since that time it has been made more and more clear to the government that there was prospect of certain of the Manitoba brewing organizations being closed through unfair competition and discrimination which exists elsewhere.

The Manitoba industries are tax paying bodies. They contribute considerable sums of money to the city of St. Boniface and to the city of Winnipeg. What is a loss to these industries will be a loss to the municipalities. Civic revenues will undoubtedly suffer if the industries are closed. The evidence submitted to us indicates that a sum of approximately \$340,000 is paid to the province and to the municipalities by the brewers of Manitoba, much of which will be lost if their business is transferred elsewhere.

Neither the government nor the liquor commission desires to interfere with inter-provincial trade. Can it be said that the action of the liquor commission in adjusting beer prices is an interference with inter-provincial trade? The position it takes is that as an importer of liquor in this province it is in exactly the same position as any other purchaser and importer of goods and can sell such goods at the price it sees fit.

Manitoba brewers and other Canadian brewers doing business in this province pay the same license fee, the same gallonage tax, and receive for their products the same amount of money per case or per gallon as the case may be. Whatever increase has been made in the price of imported beer such increase goes to the Liquor Commission and subsequently to the provincial treasurer as provincial revenue.

In view of the several discriminatory policies in other provinces during recent years the government has not seen fit to request the Liquor Commission to cancel its recent price adjustment having in view more equitable treatment for local barley growers, local industries, local workers and local tax paying institutions as well as provincial revenues."

## WHO WANTS ONE-WAY "FREE TRADE" IN BEER?

By Travers Sweatman, K.C.

Liquor has never been the subject of free inter-provincial trade in Canada. It has always been subject to special statutory Provincial statutes in every Province of the Dominion. In fact, in 1919, the Federal Government passed an amendment to the Canada Temperance Act (commonly referred to as the "Doherty Act"), under which interprovincial trading could be prohibited, if desired, by vote of the people in any Province. This means that liquor is not an ordinary article of commerce.

Under present conditions, the sale of liquor in every province in this Dominion is the subject of provincial monopoly. Private parties can not engage in its sale, in any of the Provinces of Canada. Nor can they legally engage in its inter-provincial trade. Thus the inaccuracy is obvious in any comparison of liquor with other commodities in interprovincial trade.

Let us see how these provincial monopolies in other Provinces have handled the sale of Manitoba beer when it comes into their Province.

Commencing at the Pacific Coast I find that the Liquor Control Board of British Columbia does not permit anything but British Columbia beer to be sold in British Columbia. It is true that Eastern Canadian ale is sold in the Government Liquor Stores but all beer sold in beer parlors and veterans' clubs is manufactured in British Columbia. Is this free trade?

Coming next to the Province of Alberta, practically all the beer is sold from Government stores and licensed hotels. The sale price of all bottled beer is dependent upon the price of laid down cost on Government warehouses and stores and so far there is practically no outside beer sold in the Province of Alberta.

Saskatchewan is next as we come east. In that Province the Saskatchewan Liquor Board handles all beer through its stores and through licensed hotels and clubs. The licensees are compelled to handle the products of Saskatchewan breweries only. Nothing but domestic beer is sold in all beer parlors, which represents the bulk of the trade. How much free trade is there about this?

Let us now look at what the eastern Provinces have done.

Commencing at the Atlantic, the Nova Scotia Liquor Commission sells beer only through its own liquor stores. Domestic beer is sold at \$1.80 per dozen pints, outside beer at \$2.40 per dozen pints. In cartons of two dozen pints, domestic beer is sold at \$3.60 per carton, and outside beer at \$4.80 per carton. Moreover, the local breweries pay a license of \$1,000.00 per annum and outside breweries pay a license of \$2,000.00 per annum. Is this also to be called free trade?

Coming now to New Brunswick, we find that the New Brunswick Liquor Control Board operates only through its own stores. There is no license system. All beer is sold at single bottle price only. Domestic beer sells at 5c less per bottle than outside beer. In addition to this a local brewery pays only \$1,000.00 per year license, whereas an outside brewery pays a graduated tax from \$2,000.00 up to \$5,000.00 per year. This does not look very much like free trade.

This leaves only the old Provinces of Ontario and Quebec.

In Ontario there is a graduated license system in force. A local brewery pays a license fee ranging from \$750.00 to \$5,000.00 (being proportionate to the volume of business enjoyed), and annual brewers' warehouse license fee of \$100.00 for each warehouse in which products are stocked, and gallonage tax of 7.7c for beer made from malt and hops and 8c when other cereals are used. The outside brewer, however, pays a minimum license fee of \$5,000.00, an annual brewer's license of \$100.00 per warehouse, and gallonage tax of 8½c. The result of the increased gallonage tax in Ontario and the increased graduated tax on the volume of business done makes it quite impossible for an outside brewer to compete with the local brewers.

In so far as any brewer in Manitoba is concerned, he has only that portion of Ontario, west of the Great Lakes, available, because freight rates make the sale of beer to other parts of Ontario prohibitive. When one considers the meagre population in that portion of Ontario west of the Great Lakes, it is self-evident that the extra license fees and extra gallonage tax makes it impossible for an outside brewer to obtain any volume of business in Ontario.

In Quebec bottled beer is sold directly by the breweries to licensed holders, stores (consumption off the premises), restaurants, taverns, clubs, dining cars (consumption on the premises), and generally speaking the same conditions apply to beer manufactured outside the Province as to beer manufactured locally. The law does not set any minimum or maximum price for re-sale of beer to the public by licensed holders. There is no discrimination as to the cost of license between a local brewery and an outside brewery. This is the only Province where the ordinary principles of free trade seem to apply.

So far as the Manitoba brewer is concerned, the lower the cost of production in Quebec, due for the most part to a lower wage scale, is sufficient protection to the Quebec brewer. From a practical point of view this field is not open to the Manitoba brewer.

Now that we have analyzed the conditions of sale of Manitoba beer under the provincial monopoly of every other province, what are we forced to conclude? Discrimination against the Manitoba brewer, in every Province in this Dominion, with the one exception of Quebec! In British Columbia and Saskatchewan, our neighborly western provinces, Manitoba beer is not permitted to be sold in their beer parlors, which is the chief outlet. In the extreme east — in Nova Scotia and New Brunswick the discrimination in price is, for all practical purposes, prohibitive. Likewise in Ontario, the additional license fees and gallonage taxes constitute a practical bar to the possibilities of Manitoba brewers doing any business.

In the face of all these facts, how can anyone consider unreasonable the recent action of the Manitoba Liquor Commission in charging an extra five cents a bottle for beer manufactured outside the province? For all practical purposes under present conditions Manitoba brewers can sell Manitoba beer in Manitoba only, but, oddly enough the Manitoba Liquor Commission is expected to sell everybody else's beer at the same price as our own, in competition with our own, in our own province.

The situation is naive!

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This article is written by Mr. Sweatman on behalf of Pelissier's Brewery Limited, published in Winnipeg newspapers January 1937.

## WHY NOT TAKE CARE OF OUR OWN?

By Travers Sweatman, K.C.

From whence does the Province of Manitoba obtain the money with which to operate its manifold services?

Who pays the Provincial taxes of Manitoba?

Who pays the taxes of the City of Winnipeg?

All the funds necessary to keep the municipal wheels turning—where does the City collect them?

The Provincial Government has no money of its own. It is merely a collecting and distributing agency. Then from where does the money come?

The answer is, that the revenues, both of the Province and of the City, are supplied for the most part by the people who have their homes and their business interests within the limits of the City and of the Province.

How does this condition apply to the brewing industry? Let us see.

For the calendar year 1935, five of the largest local brewers paid to the Province over \$270,000.00. This amount was paid out in taxes, including gallonage taxes, brewers' licenses, automobile and truck licenses, and gasoline taxes. By these five brewers an additional sum of over \$75,000.00 was paid in municipal taxes to municipalities comprising Greater Winnipeg and to other municipalities in Manitoba.

\$270,000.00, plus \$75,000.00. The grand total tax bill to these five brewers is over \$345,000.00.

What did outside brewers contribute to our municipal and provincial revenues? Practically nothing. To be sure, they did pay the same rate of gallonage tax as the domestic brewers; and of course they had to buy brewers' licenses and truck licenses. They no doubt paid something in rent, for warehouse space, in which some portion of real estate taxes would be included—but, having no plant in the Province they paid no actual real estate taxes to either the municipality or the Province. In business taxes, they paid a little over \$200.00 to the City of Winnipeg. In short, except on their actual product, in gallonage taxes and brewers' licenses, the outside brewers contributed practically nothing to the community in taxes.

Then there is a striking difference between the payrolls of the domestic brewers and of the outside brewers. For the year 1936, the combined payroll of all six domestic brewers in Manitoba amounted to more than half a million dollars.

But what employees have the outside brewers? A few truck drivers to deliver their beer. Two or three warehousemen. Two or three local managers. What would their payroll amount to? I have not the exact figures, but I am sure it would not be over \$25,000.00.

In economic value to the community, there is little need to stress the comparison. Would it be in the interests of the Province and of the City to allow domestic brewers to go into bankruptcy? Do we not realize their economic importance to us? How long could our domestic brewers hold out, if the Manitoba Liquor Commission should sell outside beer below cost if outside brewers were willing to dump their product in Manitoba below cost? How long could any business last under such conditions?

There is another point of economic importance to be remembered. The Manitoba brewers, besides paying out their own half-million payroll, help to keep up the payrolls of many other industries in Manitoba by buying their products. For example, there is the bottle industry; there is the paper industry, for all delivery cartons are manufactured in Manitoba; and one must not forget there is the farmer who grows all the malt barley used by the brewer in the manufacture of his product. Then again there are the railroads to whose revenues the brewery industry in Manitoba contributed over \$130,000.00 in freight and express last year.

Naturally, all these purchases give employment in Manitoba, so that even the most unanalytical of taxpayers must realize that, when he buys LOCAL beer he is helping support the payrolls of Manitobans and Winnipeggers, and that when he buys OUTSIDE beer, he is paying out his good money in support of payrolls outside our own province of Manitoba.

The provincial monopolies in control of the liquor trade in our sister provinces, fully appreciate all these economic factors. They realize that their principal revenues come from their local industries. Here is only one example of their awareness:

Up to 1930, the Manitoba brewers were doing a business of approximately \$1,200,000.00 a year in the Province of Saskatchewan. In that year, the Province of Saskatchewan inaugurated their policy of discrimination against the outside brewer. With what result? Well, the Manitoba brewers' business in Saskatchewan toppled from \$1,200,000.00 a year to less than \$50,000.00 a year. One Manitoba brewer, in 1929, did over \$540,000.00 worth of business in Saskatchewan. In 1932 this had dwindled to about \$15,000.00, and by 1934 it had shrivelled to \$10,000.00.

The action of the Province of Saskatchewan did Manitoba's brewing business irreparable damage. It reduced its payrolls in Winnipeg. It affected seriously the market of the Manitoba farmer who grows malt barley from which beer is produced. It affected the bottle industry. It curtailed the manufacture of cartons. It affected printers; in fact, it affected all the dealers who furnish supplies to the Manitoba brewers necessary to the manufacture of their product.

Now, if each Provincial Liquor Commission continues to take care of its own provincial beer, what chance is there for anything even approaching Free Trade? Why should not the Manitoba Liquor Commission take care of its own? Is this unreasonable? Unfair? Is not their action merely a common sense effort to protect a home product?

When Free Trade is universally reciprocated in the Dominion by the other Provincial Liquor Commissions, that is, when all the other Provinces are willing to sell our beer without discrimination, it is time enough for us to consider doing the same with their beer.

Year after year, all thinking people who pay taxes approve and applaud Boards of Trade and other enterprising groups who warmly advocate "BUY MANITOBA GOODS."

Then in the name of consistency, what's wrong with "BUY MANITOBA BEER"?

(THE END)

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This article was written by Mr. Sweatman on behalf of Pelissier's Brewery Ltd., published in Winnipeg newspapers January 1937.

## CHAPTER XXIX

### SOME BUSINESS ASPECTS OF LIQUOR CONTROL—THE BREWERY TRADE

Statistical Data regarding brewery prices, production, employment, etc.

Report by Millar Macdonald and Co., on Brewery Profits.

Report by Millar Macdonald and Co., on investment in hotels in Manitoba by breweries.

"Survey of Certain Economic Aspects of Liquor Sale in Manitoba" by R. C. Bellan, Economics Department, University of Manitoba.

"Control of Private Profit from Beer Sales" by R. C. Bellan, Economics Department, University of Manitoba.

"Possible Methods of Control over the Sale of Beer" by John L. McDougall, Queen's University.

"Control of the Wholesale Price of Beer" by A. W. Currie, Department of Political Economy, University of Toronto.

This chapter has given us much concern. Our Terms of Reference did not give us power to investigate the private affairs of the breweries of Manitoba. We have, therefore, brought together all such relative public information as was available from the various Liquor Commissions, the Bureau of Statistics and any reliable published financial statements that were obtainable.

The subject matter is controversial, as was to be expected, and since five people dealing with a controversial issue can seldom agree on every paragraph that may be written, we have thought it well to bring together what facts we could gather and let them speak for themselves. This has been done with a minimum of comment. It is hoped the information supplied will be of benefit to the Government, the Legislature and the people as they continue to study and deal with these problems.



The following tables with regard to some business aspects of liquor control in Manitoba are included in this chapter:

Table XXIX—

1. Names of breweries in Manitoba
2. Volume of beer production in Manitoba 1920-1953
3. Manitoba breweries sales in gallons 1946-1954
4. Total amount paid to breweries by G.L.C. Commission 1945, 1950, 1955
5. Prices paid to brewers 1928-1955
6. Prices paid to brewers for standard quantities of beer, Provinces of Canada, 1955
7. Present prices paid for beer in Manitoba
8. Capital invested in the brewing industry, Manitoba and Canada, 1920-1943
9. Products of the brewing industry, Manitoba and Canada, 1953
10. Output of Canadian breweries
11. Brewing industry statistics by provinces, 1953
12. Employment in Manitoba breweries by years 1947-1953
13. Beer sales by G.L.C. Commission to licensees
14. Letter of September 9th, 1955 by Millar, Macdonald & Company, Chartered Accountants, concerning the book value, market value and purchase price, etc., of the stock of Shea's and Drewry's
15. Statement by Millar, Macdonald & Company of profits available to common stock and dividends paid on common stock

Exhibit "A"—

The following tables will be found in the Special report on the financial growth of the major Manitoba Breweries and certain other Canadian breweries, years 1946-1954 inclusive. This report was prepared for the Commission by Millar, Macdonald & Company and will be found in this chapter as Exhibit "A."

Table XXIX—

16. Total of consolidated profits (and losses) of certain brewing companies, 1928-1954
17. Annual profits of brewery companies as a percentage of book value of investment
18. Summary of profits and dividends of Shea's, 1946-1952 and Drewry's, 1946-1949
19. Brewery profits compared with profits of other industries
20. Annual brewery profits as percentage of total shareholder investment plus funded debt
21. Summary of 1953 profits by various industry groups

Exhibit "B"—

In addition to the above tables will be found a special report on investment in hotels in Manitoba by the two major breweries, years, 1928, 1940 and 1954 prepared for the Commission by Millar, Macdonald & Company.

Also included is a "Summary of Certain Economic Aspects of Liquor Sale in Manitoba" and "Control of Private Profit from Beer Sales in Manitoba," prepared by Professor R. C. Bellan, the economic consultant to the Commission.

Two reports from two other economists are also included as follows:

- (a) Possible methods of control for the sale of beer—Professor John L. McDougall
- (b) Control of the wholesale price of beer—Dr. A. W. Currie

## Statistical Information

### Table XXIX—

1. There are at present six breweries operating in Manitoba, all of which are located in the Greater Winnipeg area. Two breweries previously operating in Brandon were closed in the years 1931 and 1932.

### Table XXIX—

2. Production of beer by Manitoba breweries has increased from 1,746,400 gallons in 1920 to 10,117,325 gallons in 1953.

### Table XXIX—

3. Sales of beer in gallons by each of the breweries in Manitoba for the years 1946 to 1954.

### Table XXIX—

4. The total amount paid to breweries by the G.L.C. Commission (fiscal year ending March 31) was \$8,608,631 in 1945, \$13,601,761 in 1950 and \$16,637,975 in 1955.

### Table XXIX—

5. Prices paid to brewers by the G.L.C. Commission per half-keg have increased from \$11.25 in 1928 to \$16.93 in 1955, and for a two dozen carton, including bottles, from \$2.80 to \$4.10. This is approximately 50% increase, partly due to increases in Dominion Government taxes.

### Table XXIX—

6. Present prices paid to brewers for standard quantities of beer in various provinces are set out in this table. Comparisons are difficult to make but the wide variation in prices paid to brewers in Ontario and Quebec as compared to the western Provinces will be apparent. (See Table XIII—2.)

### Table XXIX—

7. Present prices paid for beer in Manitoba to brewers by licensees and permittees and by consumers are set out in this table.

### Table XXIX—

8. As reported by the Dominion Bureau of Statistics, the total capital invested in all Manitoba breweries was \$2,924,676 in 1920 and \$3,380,679 in 1943. This information has not been reported in this form by the Bureau of Statistics since 1943.

Table XXIX—

9. Total selling value of products of the brewing industry in Manitoba for the year 1953 is reported by the Dominion Bureau of Statistics to be \$17,034,796 of which \$6,423,405 was paid out in taxes and duties, leaving the value of production \$10,611,391.

CHAPTER XXIX—CHART 1

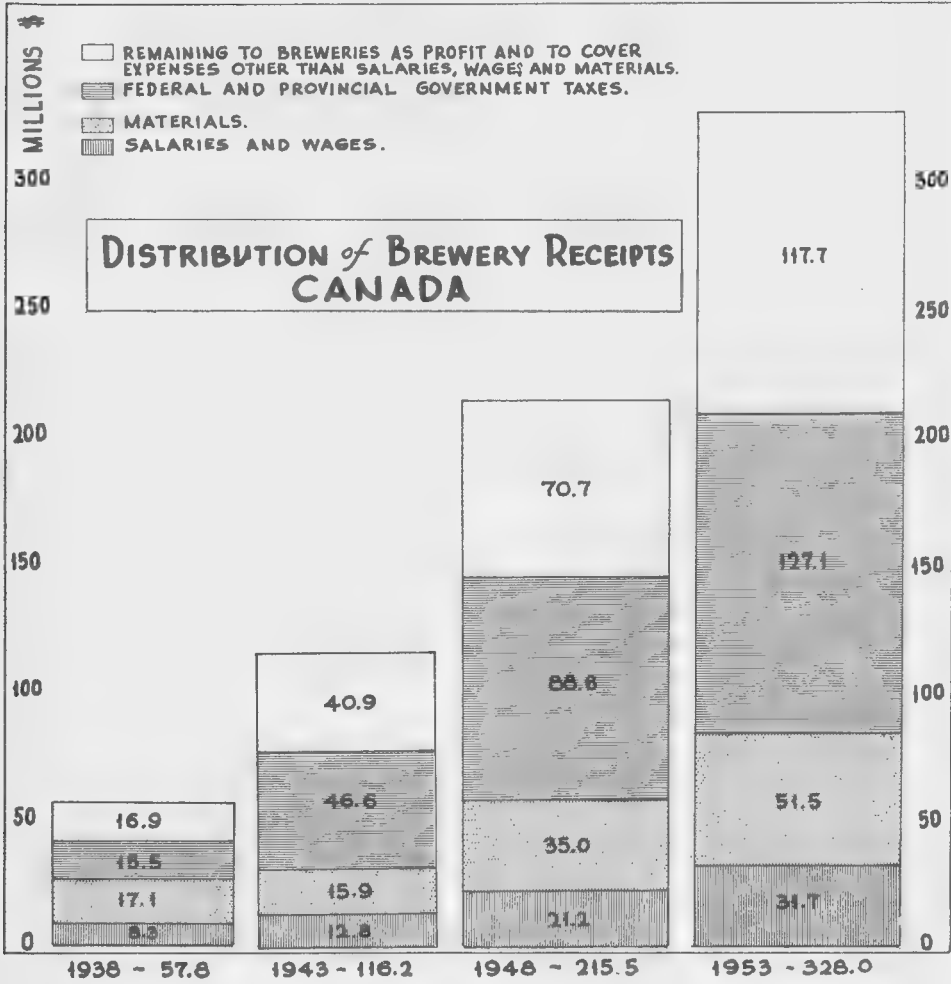


Table XXXI—

10. The total gross sales receipts of all breweries in Canada has risen from \$57.8 million in 1938 to \$328.0 million in 1953. This table shows that total sales for this period have been multiplied about  $5\frac{1}{2}$  times, that salaries and wages have multiplied 4 times, material costs have multiplied 3 times and that Dominion and Provincial taxes have multiplied

8 times. The amount remaining to brewers has increased from \$16.9 million in 1938 to \$117.7 million in 1953, seven times as much. (See Chart XXIX—1)

Table XXIX—

11. Certain important statistics regarding the brewing industry by provinces for the year 1953 are set out in this table. It deals with the number of establishments, total employees, salaries and wages, cost of materials used and value of production.

Table XXIX—

12. Although production in recent years has increased, the number of employees of Manitoba breweries has decreased from 630 in 1947 to 583 in 1953.

Table XXIX—

13. Beer sales by G.L.C. Commission to licensees, including the 5% supplementary license fee, have increased from \$12,483,301 in 1949 (year ending March 31) to \$16,146,723 in 1955. This table shows among other things the relative quantities of keg and bottled beer purchased by licensees.

Table XXIX—

14. The book value of Shea's Winnipeg Brewery after re-organization in 1946 was \$2,421,782. The book value as at December 31, 1952 was \$6,299,541 and the value based on the price paid by John Labatt Limited for Shea's Winnipeg Brewery Limited in 1953 was \$8,797,500. By averaging the high and low, it can be seen that the share value of Western Brewery's stock rose from an average of \$9.37 in 1945 to an average of \$26.25 in 1948.

Table XXIX—

15. This table sets forth the profits and losses and the dividends on common stock of certain breweries shown as a percentage of the mean of the high and low market value for the year. Since profits are sometimes quoted on a different basis, namely, market value of stock, the Accountants were asked to work out a table on this basis.

Table XXIX—

16. Profits and (losses) of certain brewing companies based on available information for the years 1928 to 1954 are set out in this table. Annual profits of the two leading Manitoba breweries, Shea's and Western Breweries (Drewry's), increased from a total of \$109,737 in 1937 to \$2,031,963 in 1949.

Table XXIX—

17. This table sets forth the annual profits of brewery companies as a percentage of the book value of investment.

# CHAPTER XXIX—CHART 2

## MANITOBA BREWERIES PRODUCTION PRICES AND PROFITS \* 1928 - 1954

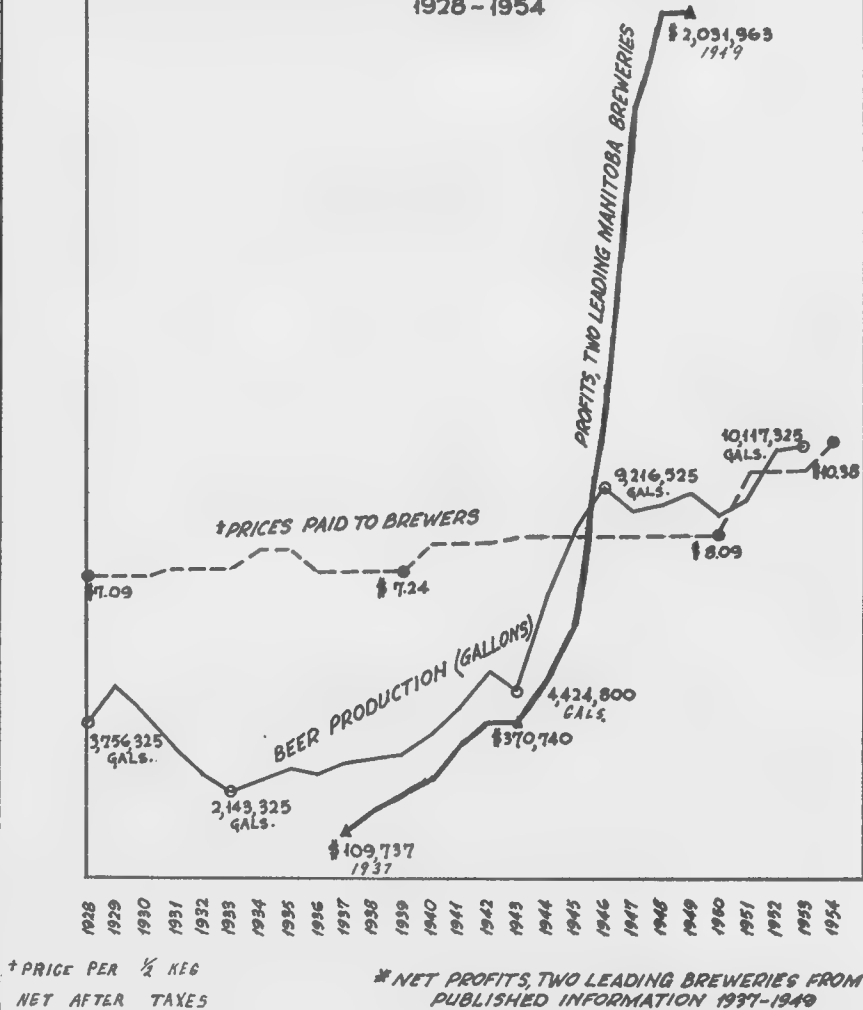


Table XXIX—

18. For the years 1946 to 1952 this table shows that the average annual profits of Shea's was \$948,000. Total profits earned by Shea's from 1946 to 1952 was \$6,638,843, out of which \$2,812,460 was paid in dividends. Table XXIX—18 also shows that for the years 1946 to 1949 the average annual profits of Drewry's was \$784,000. Total profits earned by Drewry's from 1946 to 1949 was \$3,137,006, out of which \$1,420,985 was paid in dividends.

Table XXIX—

19. Taking five brewing companies (Labatt's, Western Canada, Canadian, Sick's and Molson's) as a group, it was found that their rate of return compared to common stock equity for the year 1954 was 15.92%. This was the highest percentage rate of return among eleven other groups of companies.

Table XXIX—

20. Annual profits as a percentage of total shareholder investment plus funded debt for the two leading brewing companies in Manitoba compared to certain other brewing companies in Canada are shown in this table.

Table XXIX

21. The Statistical Summary of the Bank of Canada, November 1954, reports profit percentage of 15.51% of shareholders equity for the year 1953 for the beverages group. This group consisted of two malt, seven malt liquors, two wine and three distilleries companies. By computation it will be seen that the profit of the beverages group averages 25% higher than the average of all 434 companies reported. This table also shows profit percentages of the beverages group for the years 1948 to 1953 calculated on the same basis.

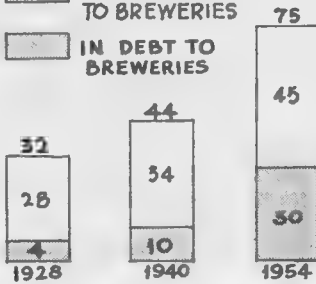
The information in the following paragraphs—except paragraph 8—is taken from Millar, Macdonald & Co. special report to this Commission on investment in brewery hotels in Manitoba. It is included in this Chapter immediately following the tables which have been referred to in the above paragraphs. (See Exhibit "B".) See also Chart XXIX—2.

- (1) The overall increase of hotel investment by Shea's and Drewry's for the period 1928 to 1954 was \$6,318,000.
- (2) Shea's interest in hotel ownership from 1928 to 1954 increased by \$3,154,449. Of this increase \$2,582,588 occurred from 1940 to 1954.
- (3) Drewry's interest in hotel ownership from 1928 to 1954 increased by \$2,235,651, of which \$2,069,045 occurred between 1940 to 1954.

# **BREWERY INTEREST IN MANITOBA HOTELS AND CLUBS 1926-1954**

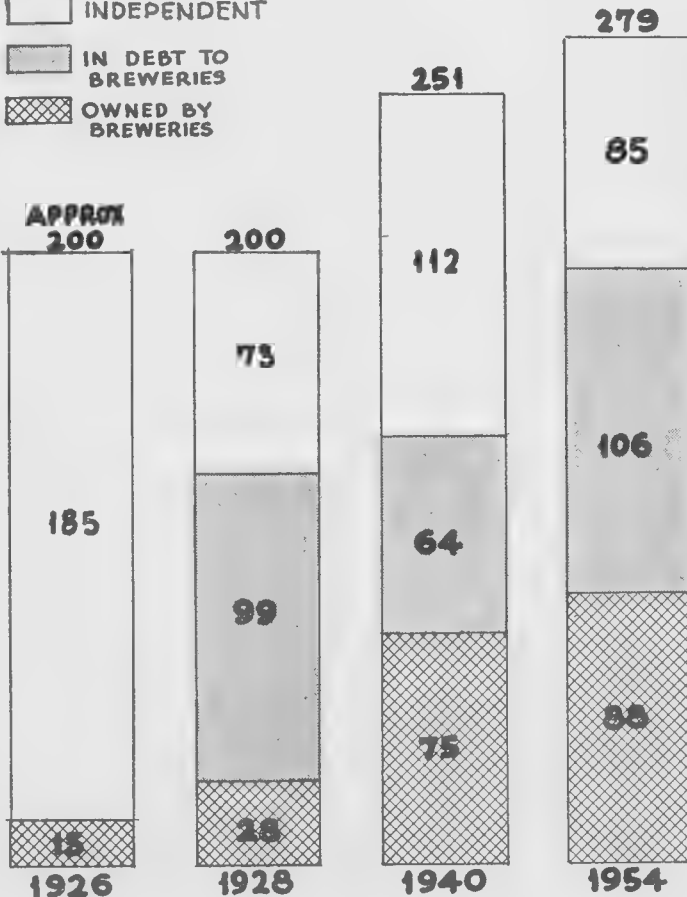
## **CLUBS**

 NOT IN DEBT TO BREWERIES  
 IN DEBT TO BREWERIES



## **HOTELS**

 INDEPENDENT  
 IN DEBT TO BREWERIES  
 OWNED BY BREWERIES



- (4) Shea's loans to hotels increased from \$733,865 in 1928 to \$821,564 in 1954. The total increase in loans to hotels during this period was \$87,698.
- (5) Drewry's loans to hotels increased from \$149,057 in 1928 to \$1,341,769 in 1954 for an increase during this period of \$1,192,712.
- (6) In addition to hotel loans in 1954 Shea's had 13 loans to clubs and fraternal organizations licensed to sell beer totalling \$75,905, and similarly Drewry's had 12 loans to clubs and fraternal organizations totalling \$108,955.
- (7) In a summary the total investment of these two leading breweries in hotels and clubs licensed to sell beer was in 1954 as follows:

|                      |            |                |                       |
|----------------------|------------|----------------|-----------------------|
| Shea's—hotels.....   | 97         | \$4,771,653.46 |                       |
| —clubs.....          | 13         | 75,905.03      |                       |
|                      |            | <hr/>          | \$4,847,558.49        |
| Drewry's—hotels..... | 94         | \$3,823,894.18 |                       |
| —clubs.....          | 12         | 108,955.62     |                       |
|                      |            | <hr/>          | 3,932,849.80          |
|                      | <u>216</u> |                | <hr/>                 |
|                      |            |                | <u>\$8,780,408.29</u> |

The appraised value of the hotels in Manitoba owned by Shea's and Drewry's compared to the book value of these investments is as follows:

Shea's—50 hotels

|                               |                |
|-------------------------------|----------------|
| Book Value of investment..... | \$3,950,089.40 |
| Appraised value.....          | 9,133,349.76   |

Drewry's—44 hotels

|                               |                |
|-------------------------------|----------------|
| Book value of investment..... | \$2,482,124.24 |
| Appraised value.....          | 4,128,653.16   |

- (8) The appraised value of hotels owned by breweries in Manitoba which is set out in the preceding paragraph (7) for the two leading breweries, Shea's and Drewry's was in round figures confirmed by Mr. F. Mathers in a memorandum presented to this Commission on behalf of five of the six breweries in Manitoba, which stated, in part, as follows:

"Out of 268 hotels in Manitoba holding beer licenses, 88 are owned, either wholly or in part, by Manitoba breweries, such ownership representing an estimated approximate present replacement value less depreciation of \$13,100,000 and in many cases extending back for many years."

- (9) A statement of profits and losses from hotel operations for Shea's and Drewry's for the years 1928 to 1954, shows that Shea's suffered an accumulated net loss for this period from hotel ownership of \$73,690. Similarly for the same period



Drewry's total accumulated net profit from hotel operations was \$425,389. Shea's, on a total investment of \$4,847,558, by way of ownership or loans to hotels and clubs, earned a net profit of 0.87%. Similarly on a total investment of \$3,932,849, Drewry's received earnings of 1.5%. This information was summarized as follows:

| Shea's                             | Investment            | Earnings           | %            |
|------------------------------------|-----------------------|--------------------|--------------|
| Hotels owned or partly owned ..... | \$3,950,089.40        | \$42,100.19        | 1.07         |
| Loans to other hotels.....         | 821,564.06            | -----              | ----         |
| Loans to clubs.....                | 75,905.03             | -----              | ----         |
|                                    | <u>\$4,847,558.49</u> | <u>\$42,100.19</u> | <u>-----</u> |
| Overall %.....                     |                       |                    | <u>.87</u>   |
| Drewry's                           |                       |                    |              |
| Hotels owned or partly owned.....  | \$2,482,124.24        | \$61,147.18        | 2.46         |
| Loans to other hotels.....         | 1,341,769.94          | *52,727.05         | -----        |
| Loans to clubs.....                | 108,955.62            | * 6,554.59         | -----        |
|                                    | <u>\$3,932,849.80</u> | <u>\$61,147.18</u> | <u>-----</u> |
| Overall %.....                     |                       |                    | <u>1.5</u>   |

\*Note: Interest collected on loans to other hotels and clubs by Drewry's is included in profits from hotel operations. It is Shea's policy not to collect interest on loans to other hotels and clubs. This accounts in part for the discrepancy in profits from hotel operations between Shea's and Drewry's.

BREWERIES IN MANITOBA

Table XXIX-1

Breweries in operation in Manitoba in 1955 are as follows:

- Fort Garry Brewery Limited, 721 Furby St., Winnipeg
- Grant's Brewery Limited, 49 Stadacona St., Winnipeg
- The Kiewel Brewing Co. Limited, 191 Dumoulin St., St. Boniface
- Pelissier's Brewery Limited, Corner Osborne and Mulvey Sts., Winnipeg
- Shea's Winnipeg Brewery Limited, 137 Colony St., Winnipeg
- Western Canada Breweries Limited (Drewry's Manitoba Division), Redwood and Main St., Winnipeg

Dates of operation of breweries in Manitoba, 1923-1955:

|                                 | In Operation            |
|---------------------------------|-------------------------|
|                                 | From To                 |
| MacPherson Brewing Limited..... | April, 1926 April, 1930 |
| succeeded by                    |                         |
| Fort Garry Brewery Limited..... | May, 1930 Present date  |

|                                       |                 |                 |
|---------------------------------------|-----------------|-----------------|
| Edelweiss Brewing Ltd.....            | 1923            | December, 1925  |
| succeeded by                          |                 |                 |
| Riedle Brewing Limited.....           | December, 1925  | March, 1950     |
| succeeded by                          |                 |                 |
| Grant's Brewery Limited.....          | April, 1950     | Present date    |
| The Kiewel Brewing Co. Ltd.....       | June, 1925      | Present date    |
| Home Brewing Co. Limited.....         | 1923            | April, 1925     |
| succeeded by                          |                 |                 |
| Pelissier's Limited.....              | October, 1925   | April, 1936     |
| succeeded by                          |                 |                 |
| Pelissier's Brewery Limited.....      | May, 1936       | Present date    |
| McDonagh and Shea Limited.....        | 1923            | October, 1926   |
| succeeded by                          |                 |                 |
| Shea's Winnipeg Brewery Limited.....  | October, 1926   | Present date    |
| The Drewry's Limited.....             | 1923            | November, 1950  |
| succeeded by                          |                 |                 |
| Western Canada Breweries Limited..... | November, 1950  | Present date    |
| (Drewry's Manitoba Division)          |                 |                 |
| The Empire Brewing Co. Limited.....   | 1923            | Closed          |
| (Brandon)                             |                 | September, 1931 |
| Premier Brewing Company Limited.....  | 1923            | May, 1930       |
| succeeded by                          |                 |                 |
| Brandon Brewing Company Limited.....  | September, 1931 | Closed          |
|                                       |                 | April, 1932     |

Table XXIX-2

## VOLUME OF BEER PRODUCTION IN MANITOBA

1920-1953

| Calendar<br>Years | Beer<br>Production<br>(Barrels) | Beer<br>Production<br>(Gallons) |
|-------------------|---------------------------------|---------------------------------|
| 1920.....         | 69,856                          | 1,746,400                       |
| 1921.....         | 54,775                          | 1,369,375                       |
| 1922.....         | 58,579                          | 1,464,475                       |
| 1923.....         | 56,100                          | 1,402,500                       |
| 1924.....         | 109,154                         | 2,728,850                       |
| 1925.....         | 121,811                         | 3,045,275                       |
| 1926.....         | 124,314                         | 3,107,850                       |
| 1927.....         | 130,344                         | 3,258,600                       |
| 1928.....         | 150,253                         | 3,756,325                       |
| 1929.....         | 181,592                         | 4,539,800                       |
| 1930.....         | 153,175                         | 3,829,375                       |
| 1931.....         | 121,009                         | 3,025,225                       |
| 1932.....         | 96,649                          | 2,416,225                       |
| 1933.....         | 85,733                          | 2,143,325                       |
| 1934.....         | 94,032                          | 2,350,800                       |
| 1935.....         | 103,522                         | 2,588,050                       |
| 1936.....         | 99,116                          | 2,477,900                       |
| 1937.....         | 109,353                         | 2,733,825                       |
| 1938.....         | 115,018                         | 2,875,450                       |
| 1939.....         | 119,544                         | 2,988,600                       |
| 1940.....         | 138,264                         | 3,456,600                       |
| 1941.....         | 159,407                         | 3,985,175                       |
| 1942.....         | 193,451                         | 4,836,275                       |
| 1943.....         | 176,992                         | 4,424,800                       |
| 1944.....         | 266,305                         | 6,657,625                       |
| 1945.....         | 331,696                         | 8,292,400                       |
| 1946.....         | 368,661                         | 9,216,525                       |
| 1947.....         | 344,152                         | 8,603,800                       |
| 1948.....         | 350,440                         | 8,761,000                       |
| 1949.....         | 362,642                         | 9,066,050                       |
| 1950.....         | 342,837                         | 8,570,925                       |
| 1951.....         | 358,550                         | 8,963,750                       |
| 1952.....         | 401,851                         | 10,046,275                      |
| 1953.....         | 404,693                         | 10,117,325                      |

1 barrel—25 Imperial gallons

Source: "Facts on the Brewing  
Industry in Canada."

## MANITOBA BREWERIES' SALES IN GALLONS 1946-1954

| Fiscal Year | Drewry's  | Kiewels   | Pelissier's | Shea's    | Fort Garry | Grant's |
|-------------|-----------|-----------|-------------|-----------|------------|---------|
| 1946.....   | 2,337,168 | 699,637   | 825,750     | 2,816,803 | 630,647    | 805,778 |
| 1947.....   | 2,531,700 | 604,009   | 745,132     | 2,612,358 | 413,325    | 677,571 |
| 1948.....   | 3,173,589 | 676,914   | 803,990     | 2,731,197 | 355,305    | 512,864 |
| 1949.....   | 3,088,573 | 893,876   | 715,474     | 2,880,336 | 372,529    | 419,064 |
| 1950.....   | 3,218,868 | 1,083,422 | 612,580     | 3,123,981 | 338,553    | 339,366 |
| 1951.....   | 2,816,346 | 1,005,075 | 600,576     | 3,107,842 | 398,251    | 442,263 |
| 1952.....   | 2,979,712 | 980,022   | 554,063     | 3,225,208 | 562,546    | 414,186 |
| 1953.....   | 3,192,873 | 1,042,735 | 595,379     | 3,462,840 | 759,518    | 461,066 |
| 1954.....   | 3,276,873 | 1,162,440 | 621,177     | 3,591,795 | 839,122    | 462,182 |

\*Riedle Brewery became Grant's on the 1st of April, 1950.

Source: Government Liquor  
Control Commission.

TOTAL AMOUNT PAID TO BREWERIES BY THE GOVERNMENT LIQUOR  
CONTROL COMMISSION, MANITOBA (Bottles Included)  
(Year Ending March 31st)

| <b>Manitoba Breweries</b>                | 1945               | 1950                | 1955                |
|------------------------------------------|--------------------|---------------------|---------------------|
| Western Canada Breweries (Drewry's)..... | \$2,304,890        | \$ 4,911,825        | \$ 5,567,609        |
| Fort Garry Brewery Ltd.....              | 585,956            | 410,857             | 1,362,756           |
| Grant's (Riedle's) Brewery Limited.....  | 822,011            | 370,293             | 552,591             |
| The Kiewel Brewing Co. Limited.....      | 924,930            | 1,768,997           | 2,122,498           |
| Pelissier's Brewery Ltd.....             | 861,193            | 837,762             | 985,814             |
| Shea's Winnipeg Brewery Limited.....     | 2,763,579          | 4,677,308           | 5,759,742           |
|                                          | <hr/>              | <hr/>               | <hr/>               |
|                                          | \$8,262,459        | \$12,977,042        | \$16,351,010        |
| <br><b>Eastern Breweries</b>             |                    |                     |                     |
| The Carling Breweries Ltd.....           | -----              | \$ 73,713           | \$ 44,156           |
| Dow (National) Brewery Limited.....      | \$ 281,326         | 215,846             | 30,311              |
| John Labatt Limited.....                 | 64,846             | 132,936             | 96,095              |
| Molson's Brewery Limited.....            | -----              | -----               | 23,052              |
| O'Keefe's Brewing Co. Ltd.....           | -----              | 202,224             | 93,351              |
|                                          | <hr/>              | <hr/>               | <hr/>               |
|                                          | 346,172            | 624,719             | 286,965             |
|                                          | <hr/>              | <hr/>               | <hr/>               |
| Total.....                               | <u>\$8,608,631</u> | <u>\$13,601,761</u> | <u>\$16,637,975</u> |

Note: Above figures do not include direct brewery sales to permittees

(a) home delivery

(b) Brewery Cash & Carry Stores.

Source: Government Liquor Control Commission.

Table XXIX—5

PRICES PAID TO BREWERS 1928-1955  
(CARTONS OF 2 DOZ. BOTTLES AND HALF-KEGS)

|                          | 2 Doz.<br>Cartons | Deposit<br>on Empty<br>Bottles | Net  | $\frac{1}{2}$ Keg |
|--------------------------|-------------------|--------------------------------|------|-------------------|
| March 15, 1928 (1).....  | 2.80              | ....                           | 2.80 | 11.25             |
| June 18, 1928 (1).....   | 2.60              | ....                           | 2.60 | 11.25             |
| March 1, 1930 (2).....   | 2.60              | ....                           | 2.60 | 11.25             |
| July 1, 1931.....        | 2.65              | ....                           | 2.65 | 11.50             |
| June 29, 1934 (3).....   | 3.20              | .50                            | 2.70 | 11.50             |
| June 8, 1936.....        | 3.00              | .40                            | 2.60 | 11.10             |
| September 20, 1939.....  | 3.00              | .40                            | 2.60 | 12.60             |
| June 16, 1941.....       | 3.10              | .40                            | 2.70 | 13.10             |
| August 17, 1942 (4)..... | 3.38              | .40                            | 2.98 | 14.50             |
| May 1, 1944.....         | 3.58              | .60                            | 2.98 | 14.50             |
| October 1, 1950 (5)..... | 4.09              | .60                            | 3.49 | 17.61             |
| July 1, 1951.....        | 4.12              | .60                            | 3.52 | 17.73             |
| July 16, 1955.....       | 4.10              | .60                            | 3.50 | 16.93             |

(1) Prices zoned to compensate for freight.

(2) Freight collected from licensee on draught and bottled beer and paid to brewers.

(3) Bottled beer price "Delivered" except The Pas and outlying districts.

(4) No freight on draught and bottled beer except The Pas and other outlying districts.

(5) The Pas, Flin Flon, Sherridon and etc. added to equalized Freight Zone.

Source: Government Liquor Control Commission.

Table XXIX—6

This table is shown on pages 278 and 279 as Table XIII—2.

**Beer Carton Prices to Brewers in Manitoba as Compared with Ontario and Quebec.**

The price received by Manitoba brewers, after deducting Federal and Provincial gallonage taxes, and Federal sales tax, is approximately \$2.00 per carton of 2 dozen 12 oz. bottles (excluding refundable allowance for empty bottles). The comparable price received by Ontario brewers is approximately \$1.70 per carton.\* Exact comparison with Quebec is not possible, but the price received by brewers in that province per carton appears to be substantially lower than that received in Ontario.

In all three provinces, brewers pay all warehousing and delivery charges.

\*On sales to licensees, which comprise the largest proportion of total sales.

## PRESENT PRICES PAID FOR BEER IN MANITOBA

(Carton prices include refundable bottle allowance of 30 cents per dozen.)

## 1. Government Liquor Control Commission pays:

to brewers:

|                                |         |
|--------------------------------|---------|
| $\frac{1}{4}$ kegs.....        | \$ 8.91 |
| $\frac{1}{2}$ kegs.....        | 16.93   |
| cartons of 2 doz. bottles..... | 4.10    |
| 1 doz. bottles.....            | 2.14    |

## 2. Licensee pays:

to Government Liquor Commission:

|                                |       |
|--------------------------------|-------|
| $\frac{1}{4}$ kegs.....        | 10.03 |
| $\frac{1}{2}$ kegs.....        | 19.11 |
| cartons of 2 doz. bottles..... | 4.42  |
| 1 doz. bottles.....            | 2.36  |

## 3. Consumer pays:

to Licensees (beer parlors or clubs):

|                                        |     |
|----------------------------------------|-----|
| 6 $\frac{1}{4}$ oz. glass draught..... | .10 |
| 1 bottle.....                          | .26 |

to Hotel Beer Vendors:

|                                 |      |
|---------------------------------|------|
| cartons of 2 doz. bottles.....  | 5.00 |
| 1 doz. bottles.....             | 2.70 |
| $\frac{1}{2}$ doz. bottles..... | 1.50 |

to Government Liquor Stores:

|                                 |      |
|---------------------------------|------|
| cartons of 2 doz. bottles.....  | 4.50 |
| 1 doz. bottles.....             | 2.40 |
| $\frac{1}{2}$ doz. bottles..... | 1.40 |

to Brewery Cash &amp; Carry Stores (Winnipeg only):

|                                 |      |
|---------------------------------|------|
| cartons of 2 doz. bottles.....  | 4.50 |
| 1 doz. bottles.....             | 2.40 |
| $\frac{1}{2}$ doz. bottles..... | 1.40 |

to Breweries Delivered to Permittees' Homes

(Winnipeg and Brandon only):

|                                |      |
|--------------------------------|------|
| cartons of 2 doz. bottles..... | 4.50 |
| 1 doz. bottles.....            | 2.40 |

## 4. Banquet Permittees pay:

to Government Liquor Commission:

|                                |       |
|--------------------------------|-------|
| $\frac{1}{4}$ kegs.....        | 12.00 |
| $\frac{1}{2}$ kegs.....        | 21.00 |
| cartons of 2 doz. bottles..... | 5.00  |

Note: For prices of Eastern Beer add 5c per bottle (\$1.20 per 2 doz. carton) to above prices paid for Manitoba beer by licensees or consumers.

Source: Government Liquor Control Commission.

Table XXIX—8

CAPITAL INVESTED IN THE BREWING INDUSTRY  
MANITOBA AND CANADA  
1920-1943

| Year                       | MANITOBA                 |                       | CANADA           |                       |
|----------------------------|--------------------------|-----------------------|------------------|-----------------------|
|                            | Capital Invested         | No. of Establishments | Capital Invested | No. of Establishments |
| 1920.....                  | 2,924,676                | 5                     | 37,494,396       | 57                    |
| 1921.....                  | 2,988,204                | 5                     | 37,645,447       | 55                    |
| 1922.....                  | 1,294,250                | 4                     | 34,788,432       | 53                    |
| 1923.....                  | 1,263,881                | 4                     | 38,384,708       | 52                    |
| 1924.....                  | 3,516,228                | 6                     | 45,375,529       | 57                    |
| 1925.....                  | 3,654,812                | 7                     | 51,222,456       | 62                    |
| 1926.....                  | 4,212,976                | 8                     | 53,893,942       | 63                    |
| 1927.....                  | 4,676,736                | 8                     | 62,358,117       | 73                    |
| 1928.....                  | 5,672,630                | 8                     | 67,148,686       | 78                    |
| 1929.....                  | 5,953,649                | 8                     | 70,390,147       | 78                    |
| 1930.....                  | 5,503,130                | 7                     | 67,637,142       | 73                    |
| 1931.....                  | 4,883,673                | 7                     | 63,140,211       | 80                    |
| 1932.....                  | 4,384,471                | 6                     | 57,398,055       | 75                    |
| 1933.....                  | 4,348,637                | 6                     | 57,337,361       | 74                    |
| 1934.....                  | 4,145,878                | 6                     | 58,747,130       | 73                    |
| 1935.....                  | 3,833,553                | 6                     | 57,928,298       | 73                    |
| 1936.....                  | 2,967,044                | 6                     | 55,969,772       | 70                    |
| 1937.....                  | 2,578,168                | 6                     | 64,162,671       | 65                    |
| 1938.....                  | 2,461,546                | 6                     | 62,745,249       | 65                    |
| 1939.....                  | 2,479,674                | 6                     | 61,645,877       | 61                    |
| 1940.....                  | 3,235,605                | 6                     | 64,954,017       | 61                    |
| 1941.....                  | 2,878,452                | 6                     | 68,360,886       | 61                    |
| 1942.....                  | 3,208,702                | 6                     | 72,868,623       | 61                    |
| 1943.....                  | 3,380,679                | 6                     | 71,607,123       | 61                    |
| 1944 }<br>1945 }<br>1946 } | Not compiled after 1943. |                       |                  |                       |

Source: Dominion Bureau of Statistics as quoted in  
"Facts on the Brewing Industry in Canada."



Table XXIX—9

## PRODUCTS OF THE BREWING INDUSTRY, MANITOBA AND CANADA, 1953

| Products                                     | Manitoba<br>Selling Value<br>at the Plant | Canada<br>Selling Value<br>at the Plant |
|----------------------------------------------|-------------------------------------------|-----------------------------------------|
| Beer, ale, stout and porter—total.....gals.  | \$16,756,439                              | \$324,203,939                           |
| In small bottles.....                        | 11,456,202                                | 195,217,165                             |
| In large bottles.....                        | .....                                     | 71,185,871                              |
| In cans.....                                 | .....                                     | 399,868                                 |
| Draught and bulk.....                        | 5,300,237                                 | 57,401,035                              |
| Carbonated beverages (soft drinks).....gals. | .....                                     | 1,709,094                               |
| Grains, dried.....tons                       | .....                                     | 918,309                                 |
| Grains, sold wet.....tons                    | 14,346                                    | 378,857                                 |
| Yeast sold.....lbs.                          | .....                                     | 150,497                                 |
| All other products.....                      | 264,011                                   | 620,882                                 |
| Total Selling Value of Products.....         | \$17,034,796                              | \$327,981,578                           |
| Taxes and Duties included above:             |                                           |                                         |
| Sales taxes.....                             | \$ 1,261,048                              | \$ 26,053,654                           |
| Gallage Tax.....                             | 1,216,763                                 | 16,969,847                              |
| On Malt.....                                 | 2,487,270                                 | 79,026,991                              |
| On Dutiable Beer.....                        | 1,437,904                                 | 4,581,716                               |
| On Hops.....                                 | 10,114                                    | 203,395                                 |
| Brewers' License fees, etc.....              | 10,306                                    | 260,319                                 |
| Total.....                                   | \$ 6,423,405                              | \$127,095,922                           |
| Value of Production (less taxes).....        | \$10,611,391                              | \$200,885,656                           |

Source: Dominion Bureau of Statistics  
"The Brewing Industry, 1953."

Table XXIX—10

OUTPUT OF CANADIAN BREWERIES  
HOW GROSS RECEIPTS FROM SALES WERE USED BY THE BREWERIES  
1938-1953

|                                                                                                                     |        | Millions of Dollars |         |         |      |
|---------------------------------------------------------------------------------------------------------------------|--------|---------------------|---------|---------|------|
|                                                                                                                     |        | 1938                | 1943    | 1948    | 1953 |
| 1. Total selling value in output at<br>breweries.....                                                               | \$57.8 | \$116.2             | \$215.5 | \$328.0 |      |
| 2. How breweries used gross receipts<br>from sales:                                                                 |        |                     |         |         |      |
| (a) Paid in salaries and wages.....                                                                                 | 8.3    | 12.8                | 21.2    | 31.7    |      |
| (b) Paid for materials.....                                                                                         | 17.1   | 15.9                | 35.0    | 51.5    |      |
| (c) Paid to federal and provincial<br>governments in taxes and duties<br>on products and materials.....             | 15.5   | 46.6                | 88.6    | 127.1   |      |
| (d) Remaining to breweries as profit,<br>and to cover expenses other than<br>salaries, wages and materials (1)..... | 16.9   | 40.9                | 70.7    | 117.7   |      |
| Total receipts.....                                                                                                 | \$57.8 | \$116.2             | \$215.5 | \$328.0 |      |

(1) Includes such items as interest, rent, depreciation, income taxes, insurance, advertising.

Source: Dominion Bureau of Statistics.

BREWING INDUSTRY STATISTICS BY PROVINCES  
1953

Table XXIX—11

|                                | Estab-<br>lish-<br>ments | Total<br>Employees | Salaries<br>and<br>Wages | Cost of<br>Materials<br>Used | Value of<br>Production |
|--------------------------------|--------------------------|--------------------|--------------------------|------------------------------|------------------------|
| Maritimes (incl. Newfoundland) | 7                        | 509                | 1,530,014                | 2,569,843                    | 11,211,419             |
| Quebec                         | 6                        | 2,568              | 9,739,051                | 16,953,682                   | 56,493,331             |
| Ontario                        | 21                       | 3,130              | 12,857,429               | 20,592,422                   | 83,594,803             |
| Manitoba                       | 6                        | 583                | 1,946,802                | 2,160,434                    | 10,611,391             |
| Saskatchewan                   | 5                        | 393                | 1,403,248                | 2,430,232                    | 10,653,206             |
| Alberta                        | 5                        | 541                | 1,881,837                | 3,531,447                    | 13,815,434             |
| British Columbia               | 11                       | 659                | 2,379,516                | 3,243,948                    | 14,506,072             |
| Total—Canada                   | 61                       | 8,383              | 31,737,897               | 51,482,008                   | 200,885,656 (1)        |

(1) Value of Production does not include total taxes \$127,095,922.

Source: Dominion Bureau of Statistics—"The Brewing Industry, 1953."

EMPLOYMENT IN MANITOBA BREWERIES BY YEARS, 1947-1953

Table XXIX—12

|      | Number of<br>Employees |
|------|------------------------|
| 1947 | 630                    |
| 1948 | 606                    |
| 1949 | 606                    |
| 1950 | 591                    |
| 1951 | 566                    |
| 1952 | 549                    |
| 1953 | 583                    |

Source: Facts in the Brewing Industry of Canada.

## BEER SALES BY G. L. C. COMMISSION TO LICENSEES

| Fiscal Year<br>ending<br>March 31 | Vendors<br>Dozens | Parlor<br>Dozens | $\frac{1}{4}$ Kegs | $\frac{1}{2}$ Kegs | Licensee<br>Purchases | 5%<br>Supplementary<br>License Fee | Total<br>Amount |
|-----------------------------------|-------------------|------------------|--------------------|--------------------|-----------------------|------------------------------------|-----------------|
| 1949.....                         | 1,983,562         | 2,491,282        | 3,628              | 231,672            | \$12,039,529          | \$443,772                          | \$12,483,301    |
| 1950.....                         | 2,027,301         | 3,013,958        | 3,357              | 200,148            | 12,810,844            | 465,753                            | 13,276,597      |
| 1951.....                         | 1,871,817         | 2,736,691        | 2,880              | 208,769            | 12,844,356            | 479,299                            | 13,323,655      |
| 1952.....                         | 2,032,358         | 2,239,283        | 2,504              | 264,452            | 14,222,857            | 522,645                            | 14,775,502      |
| 1953.....                         | 2,289,909         | 2,216,277        | 2,721              | 296,040            | 15,281,171            | 592,764                            | 15,873,935      |
| 1954.....                         | 2,364,983         | 2,264,087        | 2,770              | 309,151            | 15,809,395            | 603,613                            | 16,413,008      |
| 1955.....                         | 2,268,667         | 2,292,755        | 2,468              | 303,917            | 15,563,305            | 583,418                            | 16,146,723      |

Source: Information supplied by Mr. M. M. Oswald, Comptroller,  
Government Liquor Control Commission, June 16, 1954.

Honourable John Bracken,  
Chairman,  
The Manitoba Liquor Enquiry Commission,  
Winnipeg, Manitoba.

9th September 1955

Dear Sir:

We submit herewith the details you requested concerning the book value, market value and purchase price, etc. of the stock of Shea's and Drewry's which were taken over by Labatt's and Western Canada Breweries respectively.

1. Shea's Winnipeg Brewery Limited:

- (a) Stock first sold to public in 1946, company re-organized  
as at 31st May 1946—

|                                                  |                       |
|--------------------------------------------------|-----------------------|
| Book value of company after re-organization..... | <u>\$2,421,782.37</u> |
|--------------------------------------------------|-----------------------|

Value of company basis price paid by public for 129,200  
Class A shares—

|                                       |                |
|---------------------------------------|----------------|
| 150,000 Class A shares @ \$11.00..... | \$1,650,000.00 |
|---------------------------------------|----------------|

|                                     |              |
|-------------------------------------|--------------|
| 180,000 Class B shares @ 22.00..... | 3,960,000.00 |
|-------------------------------------|--------------|

|  |                       |
|--|-----------------------|
|  | <u>\$5,610,000.00</u> |
|--|-----------------------|

- (b) Company sold to Labatt's in exchange for \$17.50 plus  
one share of Labatt's for each Class B share of  
Shea's November, 1953—

|                                                |                       |
|------------------------------------------------|-----------------------|
| Book value of company as at 31st December 1952 | <u>\$6,299,541.00</u> |
|------------------------------------------------|-----------------------|

Value of company basis price paid by Labatt's—

|                                    |                |
|------------------------------------|----------------|
| 255,000 shares @ \$17.50 cash..... | \$4,462,500.00 |
|------------------------------------|----------------|

|                                   |  |
|-----------------------------------|--|
| 255,000 shares Labatt's @ \$17.00 |  |
|-----------------------------------|--|

|            |              |
|------------|--------------|
| share..... | 4,335,000.00 |
|------------|--------------|

|  |                       |
|--|-----------------------|
|  | <u>\$8,797,500.00</u> |
|--|-----------------------|

The market price of the Shea's stock during 1953 showed a high of \$33.00 and a low of \$28.75; it will be seen that the purchase by Labatt's at \$34.50 was fairly close to the market price of the stock.

2. Western Breweries Limited (Drewry's):

In December 1949, Brewers and Distillers of Vancouver, Ltd. (Western Canada Breweries Limited) offered to purchase shares of Western Breweries Limited at \$31.50 per share. By July 1951 all the outstanding shares had been acquired and the company was wound up in 1952.

We do not have financial details of Western Breweries Limited for the years 1948 or 1949, but the book value of the Company at October, 1947 was..... \$3,450,280

Purchase price paid was 269,265 shares at \$31.50, or . . . \$8,481,848

(It should be noted that Drewry's earned good profits for the two years between the date of the last balance sheet available and the date of sale.)

The market price of the Western Breweries stock for the five years previous to sale was:

|           | High    | Low     |
|-----------|---------|---------|
| 1945..... | \$10.75 | \$ 8.00 |
| 1946..... | 15.25   | 9.50    |
| 1947..... | 20.00   | 14.50   |
| 1948..... | 22.00   | 18.50   |
| 1949..... | 31.50   | 21.00   |

We shall be pleased to furnish any additional details you may require.

Yours very truly,

MILLAR, MACDONALD & Co.

TABLE XXIX—15

STATEMENT OF PROFITS AND LOSSES AVAILABLE TO COMMON STOCK AND DIVIDENDS PAID ON COMMON STOCK OF CERTAIN BREWERIES—SHOWN AS A PERCENTAGE OF THE MEAN OF THE HIGH AND LOW MARKET VALUE FOR THE YEAR

|           | Shea's             |        | Dewry's            |        | Labatt's           |        | Western Canada     |        | Canadian Breweries |        | Sick's             |        | Molson's           |        |
|-----------|--------------------|--------|--------------------|--------|--------------------|--------|--------------------|--------|--------------------|--------|--------------------|--------|--------------------|--------|
|           | Profit or (loss) % | Div. % | Profit or (loss) % | Div. % | Profit or (loss) % | Div. % | Profit or (loss) % | Div. % | Profit or (loss) % | Div. % | Profit or (loss) % | Div. % | Profit or (loss) % | Div. % |
| 1928..... | .....              | .....  | .....              | .....  | .....              | .....  | 4.2                | 4.1    | .....              | .....  | 7.5                | 1.3    | .....              | .....  |
| 1929..... | .....              | .....  | 11.8               | 6.5    | .....              | .....  | 4.6                | 4.6    | .....              | .....  | 12.7               | 6.8    | .....              | .....  |
| 1930..... | .....              | .....  | 6.6                | 7.8    | .....              | .....  | 10.5               | .....  | .....              | .....  | 15.5               | 14.3   | .....              | .....  |
| 1931..... | .....              | .....  | (5.0)              | .....  | .....              | .....  | (1.6)              | .....  | (203.9)            | .....  | 18.0               | 12.3   | .....              | .....  |
| 1932..... | .....              | .....  | (33.0)             | .....  | .....              | .....  | 1.7                | .....  | (206.0)            | .....  | 11.7               | 10.4   | .....              | .....  |
| 1933..... | .....              | .....  | (64.7)             | .....  | .....              | .....  | 0.6                | 4.6    | (13.0)             | .....  | 3.7                | 2.7    | .....              | .....  |
| 1934..... | .....              | .....  | (0.2)              | .....  | .....              | .....  | 1.7                | .....  | (5.4)              | .....  | 7.9                | 4.1    | .....              | .....  |
| 1935..... | .....              | .....  | 2.9                | .....  | .....              | .....  | 5.1                | .....  | (4.5)              | .....  | 6.6                | 6.2    | .....              | .....  |
| 1936..... | .....              | .....  | (3.7)              | .....  | .....              | .....  | 11.8               | .....  | (7.6)              | .....  | 14.6               | 7.1    | .....              | .....  |
| 1937..... | .....              | .....  | 2.1                | .....  | .....              | .....  | 20.8               | 7.4    | 2.6                | .....  | 13.9               | 8.5    | .....              | .....  |
| 1938..... | .....              | .....  | 5.7                | .....  | .....              | .....  | 14.6               | 18.6   | 9.5                | .....  | 11.5               | 8.8    | .....              | .....  |
| 1939..... | .....              | .....  | 15.0               | .....  | .....              | .....  | 21.7               | 17.9   | 22.4               | .....  | 15.3               | 9.6    | .....              | .....  |
| 1940..... | .....              | .....  | 23.1               | .....  | .....              | .....  | 15.3               | 17.7   | 9.9                | .....  | 12.9               | 8.4    | .....              | .....  |
| 1941..... | .....              | .....  | 26.9               | 5.2    | .....              | .....  | 13.8               | 12.3   | 14.2               | .....  | 14.0               | 10.7   | .....              | .....  |
| 1942..... | .....              | .....  | 26.6               | 8.9    | .....              | .....  | 17.2               | 12.8   | 30.9               | .....  | 15.1               | 7.9    | .....              | .....  |
| 1943..... | .....              | .....  | 12.8               | 6.7    | .....              | .....  | 11.8               | 8.7    | 9.1                | .....  | 14.6               | 9.4    | .....              | .....  |
| 1944..... | .....              | .....  | 9.6                | 5.0    | .....              | .....  | 11.4               | 7.7    | 9.2                | .....  | 13.0               | 6.5    | .....              | .....  |
| 1945..... | .....              | .....  | 11.7               | 4.3    | 7.2                | 4.5    | 8.8                | 5.5    | 5.2                | 1.2    | 13.1               | 6.7    | 6.3                | 4.6    |
| 1946..... | 16.9               | 6.0    | 12.4               | 5.3    | 6.5                | 3.8    | 8.6                | 4.8    | 9.5                | 4.8    | 13.1               | 4.4    | 6.6                | 3.7    |
| 1947..... | 21.7               | 9.0    | 17.8               | 7.0    | 8.7                | 4.0    | 7.9                | 5.5    | 11.4               | 7.1    | 16.8               | 5.9    | 6.9                | 4.0    |
| 1948..... | 24.5               | 9.0    | 16.7               | 7.9    | 8.0                | 4.2    | 8.6                | 6.3    | 14.9               | 9.6    | 17.4               | 8.7    | 8.0                | 4.2    |
| 1949..... | 17.5               | 7.5    | 14.0               | 7.1    | 7.7                | 4.6    | 8.3                | 6.0    | 14.1               | 9.3    | 13.3               | 6.7    | 10.8               | 4.0    |
| 1950..... | 13.1               | 6.5    | .....              | .....  | 9.3                | 5.4    | 7.5                | 7.5    | 11.5               | 10.0   | 11.6               | 6.6    | 8.8                | 4.3    |
| 1951..... | 12.5               | 6.6    | .....              | .....  | 9.4                | 5.3    | 10.6               | 5.8    | 11.7               | 7.8    | 10.0               | 6.8    | 10.2               | 4.8    |
| 1952..... | 14.1               | 6.7    | .....              | .....  | 9.2                | 5.8    | 11.3               | 6.5    | 12.6               | 7.0    | 10.5               | 7.2    | 11.6               | 5.1    |
| 1953..... | .....              | .....  | .....              | .....  | 10.7               | 5.6    | 13.5               | 6.6    | 15.8               | 6.5    | 10.7               | 6.2    | 12.1               | 4.9    |
| 1954..... | .....              | .....  | .....              | .....  | 11.8               | 5.1    | 11.3               | 4.9    | 12.8               | 5.2    | 7.5                | 5.3    | 10.0               | 4.9    |

Millar, Macdonald & Co., Special Report to the Manitoba Liquor Enquiry Commission, September 9th, 1955.

THE MANITOBA LIQUOR ENQUIRY COMMISSION  
SPECIAL REPORT ON THE FINANCIAL GROWTH OF THE MAJOR  
MANITOBA BREWERIES AND CERTAIN OTHER CANADIAN BREWERIES  
Years 1946-1954 inclusive

Honourable John Bracken;  
Chairman,  
The Manitoba Liquor Enquiry Commission,  
Winnipeg, Manitoba.

27th September, 1955

Dear Sir:

In accordance with your instructions, we have reviewed the financial growth of the breweries in Manitoba during the period 1928-1954 and we have compared the operating results of these breweries with five major Canadian breweries for the period from 1946 to 1954. We have also compared the present day rate of return on investment of these brewing companies with certain other groups of companies representing other industries.

The table and schedules which follow have been prepared from The Financial Post Survey of Industrials and information cards published by The Financial Post Information Service. The only information published concerning Manitoba breweries deals with Shea's and Drewry's; we have considered this representative in that Shea's and Drewry's jointly own two other Manitoba breweries, Kiewel's and Pelissier's. These brewing companies together constitute the greater proportion of the brewing industry in Manitoba. This information is not complete for the entire period as Shea's did not become a public company until 1946 and was purchased by Labatt's in 1953, while Western Breweries Limited, (Drewry's) was purchased by Western Canada Breweries Limited in 1950.

In order that a fair comparison of the results of the Manitoba breweries with the other Canadian breweries can be made, we recommend that the profit and loss figures of Shea's for the years ended in 1953 and 1954 and Drewry's for the years ended in 1950 to 1954 be obtained.

For purposes of our review we have selected the following breweries as representative of the brewing industry in other parts of Canada:

John Labatt Limited—Ontario (now owns Shea's)

Western Canada Breweries Limited—British Columbia (now owns Drewry's)

Canadian Breweries Limited—Ontario (owns interests in breweries in all parts of Canada)

Sick's Breweries Limited—Saskatchewan, Alberta and British Columbia

Molson's Brewery Limited—Quebec and Ontario

We have also used the period from 1946 to 1954 in our study as representing a fair period for study leading up to present day conditions particularly as the year 1946 marked the last year of excess profits taxes, and as profits for the years 1942 to 1946 were more or less fixed at the average for the years 1936 to 1939 through excess profits taxes at wartime maximum rates.



# STATEMENT OF CONSOLIDATED PROFITS AND (LOSSES) OF CERTAIN BREWING COMPANIES

TABLE XXIX—16

| Year | Shea's | Western<br>Breweries<br>(Drewry's) | Labatt's    | Western<br>Canada | Canadian<br>Breweries | Sick's     | Molson's   |
|------|--------|------------------------------------|-------------|-------------------|-----------------------|------------|------------|
| 1928 | .....  | .....                              | .....       | \$ 843,654        | .....                 | \$ 351,795 | .....      |
| 1929 | .....  | \$357,576                          | .....       | 866,397           | .....                 | 836,683    | .....      |
| 1930 | .....  | 103,601                            | .....       | 867,380           | .....                 | 524,427    | .....      |
| 1931 | .....  | (32,226)                           | .....       | (69,059)          | .....                 | 347,627    | .....      |
| 1932 | .....  | (161,343)                          | .....       | 86,853            | \$ (225,236)          | 230,843    | .....      |
| 1933 | .....  | (138,466)                          | .....       | 72,396            | (218,251)             | 154,359    | .....      |
| 1934 | .....  | (758)                              | .....       | 169,517           | (166,040)             | 286,106    | .....      |
| 1935 | .....  | 12,564                             | \$1,013,879 | 328,360           | 166,183               | 246,020    | \$ 789,428 |
| 1936 | .....  | (15,662)                           | 1,146,387   | 543,685           | 86,579                | 457,322    | 805,640    |
| 1937 | .....  | 6,639                              | 1,143,571   | 812,679           | 328,842               | 447,970    | 936,807    |
| 1938 | .....  | 25,254                             | 1,377,275   | 451,959           | 436,108               | 446,176    | 1,272,644  |
| 1939 | .....  | 61,455                             | 1,550,715   | 525,918           | 519,288               | 567,094    | 1,234,530  |
| 1940 | .....  | 101,670                            | 1,140,457   | 375,068           | 525,033               | 542,061    | 1,275,445  |
| 1941 | .....  | 126,778                            | 1,642,318   | 388,388           | 597,570               | 591,861    | 1,386,915  |
| 1942 | .....  | 146,325                            | 1,519,749   | 466,745           | 777,564               | 608,804    | 1,497,418  |
| 1943 | .....  | 140,645                            | 1,369,833   | 468,642           | 850,928               | 587,013    | 1,239,064  |
| 1944 | .....  | 163,667                            | 1,553,987   | 510,185           | 1,259,329             | 719,723    | 1,244,818  |
| 1945 | .....  | 268,925                            | 1,529,978   | 561,943           | 2,294,347             | 937,960    | 1,247,924  |
| 1946 | .....  | 413,044                            | 1,552,863   | 734,578           | 4,704,091             | 1,714,322  | 1,680,915  |
| 1947 | .....  | 827,566                            | 1,945,220   | 740,764           | 6,170,415             | 2,158,635  | 1,939,518  |
| 1948 | .....  | 910,046                            | 1,727,740   | 717,450           | 6,849,535             | 2,376,482  | 2,122,652  |
| 1949 | .....  | 986,350                            | 1,528,120   | 719,658           | 6,688,835             | 2,379,634  | 3,531,782  |
| 1950 | .....  | (B)                                | 1,550,926   | (C) 766,504       | 5,068,342             | 2,253,170  | 3,585,356  |
| 1951 | .....  | .....                              | 1,578,826   | 1,168,215         | 5,234,333             | 1,892,298  | 3,859,751  |
| 1952 | .....  | .....                              | 1,424,017   | 1,120,192         | 5,255,060             | 1,938,573  | 4,050,244  |
| 1953 | .....  | .....                              | 1,714,894   | 1,306,857         | 7,679,494             | 2,318,313  | 4,489,345  |
| 1954 | .....  | .....                              | 2,877,211   | 1,586,415         | 7,939,624             | 1,890,662  | 3,665,163  |

(\*) Including refundable portion of excess profits tax.

(A) Purchased by Labatt's—separate figures not available.

(B) Purchased by Western Canada Breweries Limited—separate figures not available.

(C) The net profit of Western Canada for 1950 has been adjusted for profit on sale of investments of \$1,289,861.00 and expense re funded debt of \$414,756.00.

We have set forth on Table 16 (page 113) a statement of the available details of consolidated net profits and losses of the two major Manitoba brewing companies, together with those of the other Canadian brewing companies for the period from 1928 to 1954. This table shows the steady growth of profits from the depth of the depression through the wartime period of excess profits taxes and fixed profits followed by the postwar period of expansion and prosperity under reduced rates of tax.

It should be noted that the profits and losses of some of the companies include the financial results from soft drink bottling operations and operations in the United States where applicable; the results on these operations have not been separated as details were not available.

As sales figures were available to us in only one instance, we were unable to use the sales yardstick for purpose of comparing the profits of the companies. We have prepared below a percentage table for the years 1946-1954 which sets forth annual profits of each company expressed in terms of a percentage of the book value of the investment in capital stock, surplus and surplus reserves at the beginning of each year:

TABLE XXIX—17

| Year      | Shea's<br>% | Western<br>(Drewry's)<br>% | Labatt's<br>% | Western<br>Canada<br>% | Canadian<br>Breweries<br>% | Sick's<br>% | Molson's<br>% |
|-----------|-------------|----------------------------|---------------|------------------------|----------------------------|-------------|---------------|
| 1946..... | 29.4        | 16.5                       | 26.7          | 16.4                   | 28.0                       | 30.9        | 17.8          |
| 1947..... | 35.3        | 26.5                       | 28.8          | 15.0                   | 25.1                       | 32.9        | 18.9          |
| 1948..... | 34.2        | 24.6                       | 22.4          | 14.1                   | 21.6                       | 32.3        | 19.2          |
| 1949..... | 24.9        | .....                      | 17.1          | 13.6                   | 19.6                       | 26.0        | 29.3          |
| 1950..... | 19.0        | .....                      | 16.2          | 15.7                   | 13.9                       | 21.8        | 25.1          |
| 1951..... | 16.6        | .....                      | 15.6          | 17.8                   | 14.1                       | 16.8        | 23.9          |
| 1952..... | 17.1        | .....                      | 13.2          | 14.8                   | 12.8                       | 16.3        | 22.0          |
| 1953..... | .....       | .....                      | 15.4          | 16.2                   | 17.7                       | 18.5        | 21.8          |
| 1954..... | .....       | .....                      | 17.2          | 17.6                   | 15.3                       | 14.0        | 15.8          |

From the preceding tables it will be seen that although total profits have remained at a high level during the period 1946 to 1954, the rate of return on investment has decreased in the more recent years.

One of the principal factors which has contributed to this decrease in **rate** of return has been the increase in capital investment at higher cost levels without a corresponding increase in profits. Capital monies have been provided by a steady "plough back" of profits and through issue of capital stock to the public. This money has been re-invested as follows:

- (a) Capital expenditures for replacement of old plant or new construction, all at higher level of costs prevailing in the postwar period.
- (b) Acquisition of other companies through purchase of capital stock at current market prices which reflect the current buoyant state of the brewing industry.
- (c) A general increase in other assets of the companies.  
(In the case of Labatt's, Western Canada and Canadian Breweries, it has also been necessary to raise additional funds through bond financing to carry out the expansion program.)

The following is a summary of the profits earned and dividends paid by the five Canadian breweries over the period 1946-1954.

|                                   | Labatt's     | Western<br>Canada | Canadian     | Sick's       | Molson's     |
|-----------------------------------|--------------|-------------------|--------------|--------------|--------------|
| Profits 1946-1954.....            | \$15,899,817 | \$9,735,741       | \$55,589,729 | \$18,922,089 | \$28,924,726 |
| Dividends 1946-1954.....          | 8,677,890    | 5,253,534         | 31,389,492   | 10,281,600   | 13,462,500   |
| Profits re-invested 1946-1954.... | \$ 7,221,927 | \$4,482,207       | \$24,200,237 | \$ 8,640,489 | \$15,462,226 |
| Average annual profits.....       | \$ 1,766,000 | \$1,082,000       | \$ 6,176,000 | \$ 2,102,000 | \$ 3,213,000 |

To summarize, although brewery profits have been substantial during the period 1946-1954, the rate of profit on investment has declined. This has been due in part to greater capital requirements for replacements and expansion of facilities. During this period the five brewing companies have paid out 50% of profits in dividends and have re-invested the balance. In addition to this re-investment, three of the companies (Labatt's, Western Canada and Canadian Breweries) have raised additional funds through the issue of capital stock and bonds; on the other hand Sick's and Molson's have been able to finance expansion out of profits.

In the preceding paragraphs we have discussed the results of the five Canadian breweries. We now set forth a statement of the profits and dividends of the Manitoba breweries, Shea's and Drewry's, from 1946 to the time of their purchase by Labatt's and Western Canada.

TABLE XXIX—18

|                                            | Shea's      | Drewry's    |
|--------------------------------------------|-------------|-------------|
| Profits—Shea's 1946-1952.....              | \$6,638,843 | .....       |
| —Drewry's 1946-1949.....                   | .....       | \$3,137,006 |
| Dividends—Shea's 1946-1952.....            | 2,812,460   | .....       |
| —Drewry's 1946-1949.....                   | .....       | 1,420,985   |
| Profits re-invested during the period..... | \$3,826,383 | \$1,716,021 |
| Average annual profits.....                | \$ 948,000  | \$ 784,000  |

From the above it will be seen that the Manitoba Breweries were earning profits at a high rate up till the time they were taken over and had paid out roughly 45% of profits in dividends during the same period. Reference to the percentage table on page 4 of this report reveals that the rate of profit (based on the capital at the beginning of the year) rose until 1947 and declined thereafter. However, we do not consider that a fair comparison of the Manitoba Breweries is possible without the operating results of these companies for the complete period from 1946 to 1954.

In order to measure the profits of the five breweries reported on here with other industries, we have prepared a comparison of the 1954 profits of the five brewing companies as a group with other selected groups of companies. The basis of comparison used is the 1954 profit after providing for all charges and

dividends on preferred stock, expressed as a percentage of the common stock equity i.e. common stock plus surplus and surplus reserves. The following is a summary thereof:

TABLE XXIX—19

| Industry                            | Number of<br>companies | Profits less<br>preferred<br>dividends<br>\$ (000) | Common<br>stock<br>equity<br>\$ (000) | Rate of<br>return<br>% |
|-------------------------------------|------------------------|----------------------------------------------------|---------------------------------------|------------------------|
| Construction.....                   | 7                      | 15,422                                             | 116,156                               | 13.28                  |
| Distillers.....                     | 3                      | 57,849                                             | 489,649                               | 11.81                  |
| Breweries.....                      | 5                      | 18,189                                             | 114,227                               | 15.92                  |
| Lumber.....                         | 2                      | 14,880                                             | 112,245                               | 13.26                  |
| Oil refineries (refining only)..... | 2                      | 2,290                                              | 22,877                                | 10.01                  |
| Textiles.....                       | 1                      | 675                                                | 17,049                                | 3.96                   |
| Meat Packing.....                   | 2                      | 4,406                                              | 37,043                                | 11.89                  |
| Canning.....                        | 1                      | 1,275                                              | 17,437                                | 7.31                   |
| Milling.....                        | 2                      | 1,884                                              | 26,660                                | 7.07                   |
| Grain.....                          | 2                      | 1,372                                              | 11,779                                | 11.65                  |
| Pulp and paper.....                 | 15                     | 141,548                                            | 981,935                               | 14.42                  |
| Railway equipment.....              | 5                      | 6,361                                              | 56,401                                | 11.28                  |

From our previous comments and the above summary, it will be noted that although the rate of return on investment for the five Canadian brewing companies has declined during the period 1946 to 1954, comparison of the 1954 rate of return for this group with the other industries set forth above indicates that the brewing companies are in the forefront.

The previous comparisons of brewery profits in this report have been prepared on the basis of the percentage rate of profit basis either the total investment in capital stock, surplus and surplus reserves or the common stock equity. Another method of comparison would be the measurement of annual profits as a percentage of total shareholder investment plus funded debt. For your information we have set forth below a summary of the profit percentages of the seven brewing companies for the year 1946-1954 expressed on this basis; the profits of each company have been adjusted for interest charges on funded debt where applicable:

TABLE XXIX—20

| Year      | Shea's<br>% | Western<br>(Drewry's)<br>% | Labatt's<br>% | Western<br>Canada<br>% | Canadian<br>Breweries<br>% | Sick's<br>% | Molson's<br>% |
|-----------|-------------|----------------------------|---------------|------------------------|----------------------------|-------------|---------------|
| 1946..... | 29.4        | 15.2                       | 26.7          | 16.4                   | 18.4                       | 30.9        | 17.8          |
| 1947..... | 35.3        | 26.5                       | 28.8          | 15.0                   | 19.2                       | 32.9        | 18.9          |
| 1948..... | 34.2        | 24.6                       | 22.4          | 14.1                   | 15.9                       | 32.3        | 19.2          |
| 1949..... | 24.9        | .....                      | 17.1          | 13.6                   | 13.8                       | 26.0        | 29.3          |
| 1950..... | 19.0        | .....                      | 16.2          | 9.9                    | 10.4                       | 21.8        | 25.1          |
| 1951..... | 16.6        | .....                      | 15.6          | 10.7                   | 10.9                       | 16.8        | 23.9          |
| 1952..... | 17.1        | .....                      | 11.8          | 9.8                    | 9.3                        | 16.3        | 22.0          |
| 1953..... | .....       | .....                      | 12.2          | 10.8                   | 12.6                       | 18.5        | 21.8          |
| 1954..... | .....       | .....                      | 13.7          | 11.9                   | 12.8                       | 14.0        | 15.8          |

We have also prepared a comparison of the 1954 profits of the five brewing companies as a group with other selected groups of companies using the above basis, the following is a summary thereof.

| Industry                            | Number of companies | Profits before bond interest<br>\$ (000) | Total investment incl. funded debt<br>\$ (000) | Rate of return<br>% |
|-------------------------------------|---------------------|------------------------------------------|------------------------------------------------|---------------------|
| Construction.....                   | 7                   | 17,045                                   | 138,228                                        | 12.33               |
| Distillers.....                     | 3                   | 60,227                                   | 568,894                                        | 10.59               |
| Breweries.....                      | 5                   | 20,303                                   | 147,714                                        | 13.74               |
| Lumber.....                         | 2                   | 15,758                                   | 131,668                                        | 11.97               |
| Oil refineries (refining only)..... | 2                   | 4,316                                    | 68,558                                         | 6.30                |
| Textiles.....                       | 1                   | 1,686                                    | 36,649                                         | 4.60                |
| Meat packing.....                   | 2                   | 4,567                                    | 42,643                                         | 10.92               |
| Canning.....                        | 1                   | 1,631                                    | 25,562                                         | 6.38                |
| Milling.....                        | 2                   | 2,613                                    | 39,135                                         | 6.68                |
| Grain.....                          | 2                   | 1,935                                    | 25,112                                         | 7.71                |
| Pulp and Paper.....                 | 15                  | 152,151                                  | 1,199,558                                      | 12.68               |
| Railway equipment.....              | 5                   | 6,798                                    | 64,275                                         | 10.58               |

As a supplement to this report we set forth below the following tables which have been prepared from statistical data published in the November 1954 Statistical Summary of the Bank of Canada. The following table shows a summary of the 1953 profits of 434 companies reported, grouped by industry, with the related shareholder equity at the beginning of that year (i.e. capital stock plus surplus and surplus reserves) and the percentage of profit for each industry:

TABLE XXIX—21

| Industry                                | Number of companies | 1953 profit<br>\$ (Millions) | Opening shareholder equity<br>\$ (Millions) | Profit percentage |
|-----------------------------------------|---------------------|------------------------------|---------------------------------------------|-------------------|
| Food products.....                      | 51                  | 24.1                         | 231.5                                       | 10.41             |
| Beverages.....                          | 14                  | 23.8                         | 153.4                                       | 15.51             |
| Primary textiles.....                   | 22                  | 3.8                          | 110.2                                       | 3.45              |
| Pulp and paper.....                     | 19                  | 62.2                         | 450.1                                       | 13.82             |
| Iron and steel products.....            | 57                  | 42.9                         | 336.0                                       | 12.77             |
| Machinery.....                          | 61                  | 49.5                         | 390.6                                       | 12.67             |
| Electrical machinery and equipment..... | 24                  | 33.8                         | 194.2                                       | 17.40             |
| Gold mining.....                        | 49                  | 17.8                         | 232.1                                       | 7.67              |
| Non-ferrous metal mining.....           | 11                  | 109.3                        | 669.6                                       | 16.32             |
| Petroleum.....                          | 8                   | 72.0                         | 549.1                                       | 13.11             |
| Chemicals.....                          | 31                  | 23.2                         | 175.5                                       | 13.22             |
| Wholesale trade and services            | 60                  | 9.5                          | 96.0                                        | 9.90              |
| Retail food chains.....                 | 6                   | 11.9                         | 54.7                                        | 21.76             |
| Electric and other utilities.....       | 21                  | 24.5                         | 374.8                                       | 6.54              |
|                                         | <u>434</u>          | <u>508.3</u>                 | <u>4,017.8</u>                              | <u>12.65</u>      |

The following is an analysis of the profits, shareholders' equity and profit percentages of the beverage group shown in the above summary for the years 1948 to 1953:

| Year      | Profit<br>\$ (Millions) | Opening<br>shareholder<br>equity<br>\$ (Millions) | Profit<br>percentages |
|-----------|-------------------------|---------------------------------------------------|-----------------------|
| 1948..... | 22.2                    | 119.4                                             | 18.59                 |
| 1949..... | 20.1                    | 121.8                                             | 16.50                 |
| 1950..... | 19.5                    | 130.2                                             | 14.98                 |
| 1951..... | 18.7                    | 134.9                                             | 13.86                 |
| 1952..... | 17.8                    | 147.0                                             | 12.11                 |
| 1953..... | 23.8                    | 153.4                                             | 15.51                 |

We trust that this report gives you the information you require. Will you kindly advise us should you desire additional information.

MILLAR, MACDONALD & Co.,  
Chartered Accountants.

EXHIBIT "B"

THE MANITOBA LIQUOR ENQUIRY COMMISSION  
SPECIAL REPORT ON INVESTMENT IN HOTELS IN MANITOBA  
BY THE TWO MAJOR BREWERIES  
Years 1928, 1940 and 1954

Honourable John Bracken,  
Chairman,  
The Manitoba Liquor Enquiry Commission.

24th May 1955

Dear Sir:

In accordance with your instructions, we have reviewed the relationship of breweries to hotels in Manitoba from a financial standpoint addressing ourselves to the following questions:

1. The increase in investment by breweries in hotels over the period 1928-1954.
2. The profitability or otherwise of such hotel ownership.
3. Such other information as may be of interest to the commission.

The following has been prepared from data supplied at the request of the commission by the two major breweries, Shea's Winnipeg Brewery Limited and Western Canada Breweries Limited (Drewry's). In the original submission by the breweries with respect to hotel ownership, details were submitted covering the years 1928, 1940 and 1954; in obtaining further information these years have been accepted as typical and are used throughout this report for comparison purposes.

From our review we find that the two major breweries, Shea's Winnipeg Brewery Limited and Western Canada Breweries Limited (Drewry's) had an interest either by stock ownership or loan in some 191 hotels in 1954 of \$8,595,000.00; an increase since 1928 of 89 hotels totalling \$6,318,000.00. We also find that during the same period Shea's showed a loss on hotel operations of \$73,000.00 and Drewry's a profit of \$425,000.00. It is therefore apparent in the light of the sum invested that, in total, there has been no element of high profitability in brewery ownership of hotels themselves, the investment is made to ensure a market for product.

Details of the investment in hotels by breweries for the years 1928, 1940 and 1954 and the related profits and losses for the period are shown on schedules attached to this report. We submit the following comment thereon.

The overall increase in hotel investment of \$6,318,000.00 involving 89 hotels during the period 1928 to 1954 is accounted for largely by an increase in ownership of hotels as follows:

|                                             | Shea's           |                       | Drewry's         |                       |
|---------------------------------------------|------------------|-----------------------|------------------|-----------------------|
|                                             | No. of<br>Hotels | Investment            | No. of<br>Hotels | Investment            |
| Hotels owned or partly owned                |                  |                       |                  |                       |
| in 1928.....                                | 6                | \$ 795,640.09         | 9                | \$ 246,472.95         |
| in 1940.....                                | 36               | 1,367,501.30          | 25               | 413,078.65            |
|                                             | —                | —                     | —                | —                     |
| Increase 1928-1940.....                     | 30               | \$ 571,861.21         | 16               | \$ 166,605.70         |
|                                             | —                | —                     | —                | —                     |
| Hotels owned or partly owned                |                  |                       |                  |                       |
| in 1940.....                                | 36               | \$1,367,501.30        | 25               | \$ 413,078.65         |
| in 1954.....                                | 50               | 3,950,089.40          | 44               | 2,482,124.24          |
|                                             | —                | —                     | —                | —                     |
| Increase 1940-1954.....                     | 14               | \$2,582,588.10        | 19               | \$2,069,045.59        |
|                                             | —                | —                     | —                | —                     |
| Total increase in hotel owner-<br>ship..... | 44               | <u>\$3,154,449.31</u> | 35               | <u>\$2,235,651.29</u> |

Overall increase—79 hotels, \$5,390,100.60.

It is noted that the two breweries sustained losses from hotel operations from 1928 to 1940 of \$592,000 and \$139,000 respectively; in spite of these losses, hotel investment increased by 30 hotels at \$571,861.21 and 16 hotels at \$166,605.70 for the same period.

(Note—The breweries did not earn any profits from hotel operations until 1944—see schedule.)

In 1928 Shea's had a large number of loans to hotels and the increase in hotel ownership by them in this period was accompanied by a corresponding decrease in the number of loans; in the case of Drewry's ownership increased and loans to hotels remained constant.

A summary of these loans follows:

|                                            | Shea's          |               | Drewry's        |                |
|--------------------------------------------|-----------------|---------------|-----------------|----------------|
|                                            | No. of<br>Loans | Amount        | No. of<br>Loans | Amount         |
| 1928.....                                  | 67              | \$ 733,865.60 | 20              | \$ 149,057.39  |
| 1940.....                                  | 41              | 289,243.05    | 24              | 139,306.62     |
| 1954.....                                  | 47              | 821,564.06    | 50              | 1,341,769.94   |
| Increase (decrease) 1954 over<br>1928..... | (20)            | \$ 87,698.46  | 30              | \$1,192,712.55 |

Overall increase—10 hotels, \$1,280,411.01.

Loans to clubs and fraternal organizations licensed to sell beer are not included in the above comparisons or in the schedules to this report. These total 13 loans of \$75,905.03 for Shea's and 12 loans of \$108,955.62 for Drewry's.

In summary the total investment of the breweries in hotels and clubs and organizations licensed to sell beer is:

|                      |     |                |                |
|----------------------|-----|----------------|----------------|
| Shea's—hotels.....   | 97  | \$4,771,653.46 |                |
| —clubs.....          | 13  | 75,905.03      |                |
|                      |     |                | \$4,847,558.49 |
| Drewry's—hotels..... | 94  | \$3,823,894.18 |                |
| —clubs.....          | 12  | 108,955.62     |                |
|                      |     |                | 3,932,849.80   |
| A total of.....      | 216 |                | \$8,780,408.29 |

In addition financial information, the breweries were requested to submit a statement of the most recent appraised values of their hotel properties—this is shown below, together with the corresponding investment at book value.

Shea's—50 hotels

|                               |                |
|-------------------------------|----------------|
| Book value of investment..... | \$3,950,089.40 |
| Appraised value.....          | 9,133,349.76   |

Drewry's—44 hotels

|                               |              |
|-------------------------------|--------------|
| Book value of investment..... | 2,482,124.24 |
| Appraised value.....          | 4,128,653.16 |

The appraised values of hotels are those used for insurance purposes and represent present day replacement values less depreciation. The excess of the appraised value over book value has resulted from three factors:

1. The hotels that were acquired prior to 1940 were acquired in a period of depression and hence at depressed prices or at low building costs.
2. The overall appreciation in the value of real estate in the post-war period.
3. The fact that it is generally conceded that as a whole, brewery-owned hotels are maintained in a better state of repair than privately-owned hotels. This is related to the policy of ploughing back earnings of the hotels.



The following is a summary of earning by the breweries from hotel investment in 1954:

| Shea's                            | Investment            | Earning            | %          |
|-----------------------------------|-----------------------|--------------------|------------|
| Hotels owned or partly owned..... | \$3,950,089.40        | \$42,100.19        | 1.07       |
| Loans to other hotels.....        | 821,564.06            | .....              | .....      |
| Loans to clubs.....               | 75,905.03             | .....              | .....      |
|                                   | <u>\$4,847,558.49</u> | <u>\$42,100.19</u> |            |
| Overall %.....                    |                       |                    | <u>.87</u> |
| Drewry's                          |                       |                    |            |
| Hotels owned or partly owned..... | \$2,482,124.24        | \$61,147.18        | 2.46       |
| Loans to other hotels.....        | 1,341,769.94          | *52,727.05         | .....      |
| Loans to clubs.....               | 108,955.62            | * 6,554.59         | .....      |
|                                   | <u>\$3,932,849.80</u> | <u>\$61,147.18</u> |            |
| Overall %.....                    |                       |                    | <u>1.5</u> |

\*Note: Interest collected on loans to other hotels and clubs by Drewry's is included in profits from hotel operations. It is Shea's policy not to collect interest on loans to other hotels and clubs. This accounts in part for the discrepancy in profits from hotel operations between Shea's and Drewry's.

From the low yield on hotel investment and the statement of profits and losses for the period 1928-1954, it will be seen that hotel ownership is not considered primarily as an investment but rather as a method of ensuring an outlet for product as previously stated.

We have analyzed in some detail the individual financial statements of ten of the brewery-owned hotels, together with other data submitted by the breweries. Our working papers have not been reproduced at this time, but we shall be pleased to submit them or discuss them at any time.

Respectfully submitted,

MILLAR, MACDONALD & Co.,  
Chartered Accountants.

SUMMARY OF INVESTMENT IN HOTELS  
Years 1928, 1940 and 1954

|                                                | Shea's                 |                                | Drewry's               |                                |
|------------------------------------------------|------------------------|--------------------------------|------------------------|--------------------------------|
|                                                | Number<br>of<br>Hotels | Book Value<br>of<br>Investment | Number<br>of<br>Hotels | Book Value<br>of<br>Investment |
| 1928                                           |                        |                                |                        |                                |
| Wholly-owned hotels.....                       | 3                      | \$ 353,904.33                  | 8                      | \$ 233,735.93                  |
| Owned with others.....                         | 3                      | 441,735.76                     | 1                      | 12,737.02                      |
| Loans and advances to non-owned<br>hotels..... | 67                     | 733,865.60                     | 20                     | 149,057.39                     |
|                                                | <u>73</u>              | <u>\$1,529,505.69</u>          | <u>29</u>              | <u>\$ 395,530.34</u>           |
| 1940                                           |                        |                                |                        |                                |
| Wholly-owned hotels.....                       | 24                     | \$ 835,385.54                  | 23                     | \$ 403,082.24                  |
| Owned with others.....                         | 12                     | 532,115.76                     | 2                      | 9,996.41                       |
| Loans and advances to non-owned<br>hotels..... | 41                     | 289,243.05                     | 24                     | 139,306.62                     |
|                                                | <u>77</u>              | <u>\$1,656,744.35</u>          | <u>49</u>              | <u>\$ 552,385.27</u>           |
| 1954                                           |                        |                                |                        |                                |
| Wholly-owned hotels.....                       | 42                     | \$3,516,914.93                 | 37                     | \$2,245,475.92                 |
| Owned with others.....                         | 8                      | 433,174.47                     | 7                      | 236,648.32                     |
| Loans and advances to non-owned<br>hotels..... | 47                     | 821,564.06                     | 50                     | 1,341,769.94                   |
|                                                | <u>97</u>              | <u>\$4,771,653.46</u>          | <u>94</u>              | <u>\$3,823,894.18</u>          |

COMPARATIVE STATEMENT OF HOTEL INVESTMENT  
Years 1928, 1940 and 1954

| Period 1928-1940                                                        | Shea's                 |                | Drewry's               |                |
|-------------------------------------------------------------------------|------------------------|----------------|------------------------|----------------|
|                                                                         | Number<br>of<br>Hotels | Amount         | Number<br>of<br>Hotels | Amount         |
| Investment 1928.....                                                    | 73                     | \$1,529,505.69 | 29                     | \$ 395,530.34  |
| Investment 1940.....                                                    | 77                     | 1,656,744.35   | 49                     | 552,385.27     |
| Net increase.....                                                       |                        | 127,238.66     |                        | 156,854.93     |
| ADD: Losses sustained during period<br>—see table.....                  |                        | 592,395.61     |                        | 139,376.33     |
| New investment during period, in-<br>cluding advances to cover losses.. | 4                      | \$ 719,634.27  | 20                     | \$ 296,231.26  |
| Period 1940-1954                                                        |                        |                |                        |                |
| Investment in 1940.....                                                 | 77                     | \$1,656,744.35 | 49                     | \$ 552,385.27  |
| Investment in 1954.....                                                 | 97                     | 4,771,653.46   | 94                     | 3,823,894.18   |
| Net increase during period.....                                         |                        | \$3,114,909.11 |                        | \$3,271,508.91 |
| DEDUCT: Profits earned during<br>period—see table.....                  |                        | 518,704.71     |                        | 564,765.34     |
| New investment during period, ex-<br>cluding profits earned.....        | 20                     | \$2,596,204.40 | 45                     | \$2,706,743.57 |
| Period 1928-1954                                                        |                        |                |                        |                |
| Net increase in investment during<br>period.....                        | 24                     | \$3,242,147.77 | 65                     | \$3,428,363.84 |
| ADD OR DEDUCT: Profits or losses<br>during period.....                  | Loss                   | 73,690.90      | Profit                 | 425,389.01     |
| Total being new investment in hotels<br>during period 1928 to 1954..... | 24                     | \$3,315,838.67 | 65                     | \$3,002,974.83 |
| Overall increase—both breweries—89 hotels, \$6,318,813.50.              |                        |                |                        |                |

# STATEMENT OF PROFITS OR (LOSSES) FROM HOTEL OPERATIONS

| Year                                            | Shea's                       | Drewry's                    |
|-------------------------------------------------|------------------------------|-----------------------------|
| 1928.....                                       | \$ (7,088.00)                |                             |
| 1929.....                                       | 488.30                       | \$ (3,490.14)               |
| 1930.....                                       | (14,216.13)                  | (5,254.50)                  |
| 1931.....                                       | (40,306.73)                  | 3,189.77                    |
| 1932.....                                       | (64,741.17)                  | (12,366.36)                 |
| 1933.....                                       | (56,161.04)                  | (7,761.49)                  |
| 1934.....                                       | (42,903.34)                  | (10,727.74)                 |
| 1935.....                                       | (58,497.07)                  | (16,286.31)                 |
| 1936.....                                       | (56,571.43)                  | (18,640.68)                 |
| 1937.....                                       | (62,239.80)                  | (16,571.59)                 |
| 1938.....                                       | (59,212.37)                  | (20,381.40)                 |
| 1939.....                                       | (71,817.95)                  | (16,143.08)                 |
| 1940.....                                       | (59,128.88)                  | (14,942.81)                 |
| Accumulated loss 1928-1940.....                 | <u>\$ (592,395.61)</u>       | <u>\$ (139,376.33)</u>      |
| 1941.....                                       | \$ (44,447.08)               | \$ (20,251.46)              |
| 1942.....                                       | (42,181.21)                  | (5,947.00)                  |
| 1943.....                                       | (23,689.60)                  | (2,405.51)                  |
| 1944.....                                       | 5,410.14                     | 26,689.68                   |
| 1945.....                                       | 25,822.79                    | 41,705.08                   |
| 1946.....                                       | 96,122.87                    | 51,084.48                   |
| 1947.....                                       | 141,371.34                   | 51,991.98                   |
| 1948.....                                       | 159,259.72                   | 50,134.40                   |
| 1949.....                                       | 81,961.13                    | 35,866.70                   |
| 1950.....                                       | 12,812.94                    | 19,184.21                   |
| 1951.....                                       | 11,039.56                    | 87,168.89                   |
| 1952.....                                       | 15,434.31                    | 93,497.10                   |
| 1953.....                                       | 37,687.61                    | 74,899.61                   |
| 1954.....                                       | 42,100.19                    | 61,147.18                   |
| Accumulated net profit 1941-1954.....           | <u>\$ 518,704.71</u>         | <u>\$ 564,765.34</u>        |
| Accumulated net profit or (loss) 1928-1954..... | <u><u>\$ (73,690.90)</u></u> | <u><u>\$ 425,389.01</u></u> |

## SUMMARY OF CERTAIN ECONOMIC ASPECTS OF LIQUOR CONTROL IN MANITOBA

R. C. BELLAN

The Manitoba public has been spending over \$40 millions annually on liquor in recent years, or approximately 4% of their total personal income. These expenditures furnish large revenues to both the federal and provincial governments, support a considerable local brewing industry, furnish the main revenue of Manitoba's hotels, and provide an important market for distillers and vintners located elsewhere in Canada, and in foreign countries.

Practically all the beer consumed in Manitoba is produced by brewers located within the province, since freight charges are virtually prohibitive on shipments from elsewhere, and the Liquor Commission, in its selling policies, discriminates in favor of locally produced beer.

Most of the wine and spirits consumed is produced in other provinces of Canada, with a relatively small proportion originating in foreign countries.

Largely in consequence of the fact that beer is produced within the province, while spirits and wine are imported from outside, different procedures are employed for the retail distribution of the different liquors. Wine and spirits are purchased from the manufacturers by the Government Liquor Control Commission, and sold at retail only in the stores which it operates. Beer on the other hand, is sold by local brewers directly to consumers, and delivered by local breweries directly to such private retail outlets as are licensed by the Liquor Commission. According to bookkeeping records the Liquor Commission purchases the beer from breweries and re-sells it to the licensed outlets; the physical movement of the beer, however, is direct from brewery to the licensed retailer.

The province's hotels collectively constitute the largest retail outlet for beer, selling 78% of the beer purchased for on-premise consumption, and 51% of the beer purchased for consumption at home. The importance of hotels as beer distributing outlets varies throughout the province: in the Greater Winnipeg area, the hotels, while enjoying large beer sales, are relatively less important, owing to the availability of numerous other outlets; in most rural districts however, the local hotel is the sole purveyor of beer, both for on and off premises consumption.

Hotels in Greater Winnipeg sell considerably more beer on the average than do hotels in the remainder of Manitoba, largely in consequence of the fact that they are fewer in relation to the population which they serve: 72 hotels in Greater Winnipeg serve nearly the same number of people as are served by more than 200 hotels in the remainder of the province.

Despite the very great increase in beer consumption which has occurred in Manitoba since 1939, the number of authorized outlets has increased only slightly. Those outlets which were in existence in 1939 have consequently enjoyed very large increases in beer sales. The increase in beer sales was not evenly distributed: hotels which were advantageously located in regard to newly developed housing projects and shopping centres obtained the major increases.

Since for nearly all hotels revenues derived from beer sales constitute the largest portion of net income, the profitability of hotels rose in close correspondence with their beer sales. Their market value, determined by profitability, rose in due proportion.

The price of all types of liquor—beer, wine and spirits—has risen since 1928, but by substantially less than have incomes and commodities generally. Relatively to the much higher levels of incomes and prices now prevailing, liquor is therefore cheaper now than a quarter century ago. Of the increases which have occurred in liquor prices, a very large part is due to increases in the level of federal taxation.

In the case of both imported and domestic whiskies, increases in federal taxation account for substantially more than half of the retail price increase which has occurred since 1928. Increased freight charges and relatively small increases in the prices paid to distillers have absorbed the remainder of the additional money now paid by consumers. The markup charged by the Government Liquor Control Commission is about the same as in 1928; since its buying price has risen, however, this same markup constitutes a smaller percentage than previously. Consequently the profit earned by the Commission on sales of spirits now constitutes a smaller percentage than formerly of its sales receipts.

In the case of beer, the increases in price since 1928 have been shared primarily between the federal government and the breweries. In the case of bottled beer, over 60% of the increase in retail price since 1928, is attributable to higher federal taxes, and in the case of draught beer approximately 46%.

The remainder of the price increases have gone almost entirely to the breweries—some portion of this being in compensation for additional obligations undertaken by the breweries in regard to the delivery of beer throughout the province. The markup received by retailers, and the revenue appropriated by the Liquor Commission are both about the same as in 1928. Owing to the higher price of beer today, the unchanged revenue margins earned both by private retailers and the Liquor Commission constitute smaller percentages of sales receipts than formerly.

The brewing industry of Manitoba consists of six firms, of which two are dominant, being individually the largest, and between them owning or exercising control over three of the remaining four. Until 1949 both of the large firms were locally owned, but in that year one was taken over by a Vancouver organization in which Mr. E. P. Taylor holds a strong interest; the other major local brewery was taken over in 1952 by one of the large Eastern brewing companies which competes against the several breweries controlled by Mr. Taylor.

During the depressed 1930s, when beer consumption in Manitoba declined heavily from the levels attained in the late 1920s, the local brewing industry operated at levels far below its capacity. When the demand for beer increased rapidly during the war and post-war years, the industry was able, thanks to its large unused capacity, to expand its output very greatly, without construction of additional plant. The huge increase in sales, achieved without a corresponding increase in overhead cost in regard to plant, resulted in a twelve fold increase in profits between the pre-war and post-war years. In no other region of Canada did brewery profits increase so rapidly.

The last reports publicly available (1949) indicate that Manitoba breweries earned profits on sales which were substantially higher than those earned in industry generally, both in Canada and the United States. The return on investment achieved by local brewers was also substantially higher in 1949 than returns enjoyed by other industries. Since that year the breweries have obtained the benefit of a substantial boost in selling prices, and a 25% increase in output. It may be fairly presumed therefore that the aggregate profits of the local brewing industry are significantly greater than the figure of \$2 millions achieved in 1949.

It is to be noted that whereas Canadian distillers today receive a net price which is only about 11% greater than the price they received in 1928, the price paid to Manitoba brewers per  $\frac{1}{2}$  keg is today approximately 24% greater than the price they received in 1928. (By net price is meant the price received F.O.B. point of production, with deductions made for provincial and federal taxes). Until the reduction effected in brewers' prices on July 16, 1955, the net price per half keg was 35% greater than in 1928.

Since brewing and distilling operations have a good deal in common and may be presumed to have kept in step, technologically, with each other, it may reasonably be suggested that the greater price increase achieved by Manitoba brewers has not been strictly necessary for efficient and profitable operation. If Canadian distillers are able today to operate profitably on the basis of a net price only 11% greater than in 1928, there appears to be no particularly convincing reason why the brewers of Manitoba should not also be able to operate profitably on the basis of a net price higher than the 1928 price by 11%.

The procedure employed in setting the brewers' price for beer has been a contributory factor to the higher profits earned by the industry. High freight costs have limited the possibilities of competition by brewers located outside of Manitoba, while the discrimination practiced by the Liquor Commission against outside brewers has enhanced their natural handicaps. The local market is therefore reserved almost entirely to the handful of local firms; being few in number and having extensive financial inter-relationships, the local breweries acted together in regard to establishing the factory price of beer. The Government Liquor Control Commission which had the responsibility of setting beer prices, generally set prices which conformed to the requests of the local breweries, and consequently afforded them very substantial profits.

Whereas in other industries the earning of large profits by member firms ordinarily attracts new firms which, by their competition, force down prices and profits, no such development occurred in the local brewing industry. The substantial capital and technical experience required to commence brewing operations constituted important obstacles to the entry of new firms; in addition, the established breweries control the majority of the main retail outlets; i.e., the hotels. Hence any new firm could be denied access to a very substantial portion of the total market, drastically reducing its possibilities of profitable operation. In addition the prohibition on liquor advertising, and the ban on any price variation by brewers, prevent new firms from using advertising or price competition to gain a foothold in the local market.

The higher prices received by Manitoba breweries for their beer as compared to breweries in Ontario and Quebec is no doubt attributable in considerable measure

to their collaboration in price setting. Whereas price competition has occurred in the brewery industry of Eastern Canada, there has been none in the brewery industry of Manitoba.

Competition among the brewers of this province has primarily taken the form of competition for control over hotel retail outlets; large profits earned in the production of beer provided both the means and the incentive to spend substantial sums in the acquisition of control over additional outlets. This interest on the part of breweries contributed to the sharp increase in hotel values, raising them to levels far out of line with the value of their actual physical properties. Such competition by breweries for hotels was not unlimited however; the two leading breweries jointly purchased a number of hotels, thereby avoiding costly competitive bidding against each other.

The higher price received by Manitoba brewers reflects, not merely their own market power, but the absence of a correspondingly powerful group of retailers interested in keeping brewery prices low. Thus the breweries of Ontario and Quebec sell beer directly to private retailers; the latter, organized into strong trade associations, are able to resist effectively any attempts by the breweries to raise prices unnecessarily.\* In the western provinces, on the other hand, the breweries sell their beer to the government boards, and retailers obtain their beer from the latter. The conflict of interest between brewer and retailer is not so clear cut as in Eastern Canada where the market is composed of only the two diametrically opposed parties. In the West retailers are not necessarily affected by a higher price for beer, if the government board reduces its markup; when the price to retailers is raised, it is raised by the government board and retailers' opposition is concentrated against the board, rather than against the breweries indirectly responsible. In Manitoba furthermore, since the great majority of hotels are owned or dominated by the breweries, there is little prospect of any strong opposition by the hotelkeepers' association to higher brewers' prices.

The operations of the Manitoba Government Liquor Control Commission have been less profitable, in proportion to sales, than the operations of corresponding boards elsewhere in Canada. The reasons have been four-fold:

- (1) the relatively high price paid for beer to brewers;
- (2) the relatively low price charged for beer to consumers;
- (3) the relatively low markup charged on wines and spirits;
- (4) the high proportion of beer sales, on which the markup is low, in the Commission's total sales.

Despite the fact that its liquor operations are relatively less profitable than those of other provincial governments, the liquor revenues of the Manitoba Government constitute a very important fraction of its total annual receipts. The relative importance of liquor revenue has declined however since the immediate post-war years, in consequence of the very sharp increases in other revenues. Though continuing to increase, liquor revenue has consequently become somewhat less important, relatively, in recent years.

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\*See "Restrictive Trade Practices Commission Report Concerning an Alleged Combine in the Manufacture, Distribution and Sale of Beer in Canada," Ottawa, 1955, p. 28.



## CONTROL OF PRIVATE PROFIT FROM BEER SALES IN MANITOBA

R. C. BELLAN,  
October, 1955

The liquor trade of Manitoba is characterized by important monopoly features, in consequence both of governmental regulation, and geographical circumstances. Provincial liquor legislation has, since 1923, conferred on a government agency a monopoly of the sale of wines and spirits in Manitoba. Since 1928, private retail outlets have been permitted to sell beer, but the authorities have closely restricted the number of such outlets, thereby in effect conferring near monopoly privileges upon those outlets which have been authorized.

The Province's breweries enjoy quasi-monopolistic powers in consequence of the substantial obstacles which hamper competition both from outside and within the Province. The freight charges on outside beer shipped into the Province are virtually prohibitive, owing to the distance involved and the weight and bulk of beer. Few outside brewers have attempted to sell their product in Manitoba, and the quantities which they have shipped have generally been small. Furthermore, in common with liquor control authorities elsewhere, the Government Liquor Control Commission imposes an additional handicap upon outside brewers, by selling their beer at a higher price than is charged for local beer.

The established breweries are protected against local competition as well; the legal prohibition against advertising and price variation renders it impossible for a new firm to attempt to win consumer acceptance by advertising or by cutting prices below those charged by established firms. The control possessed by existing breweries over the great majority of Manitoba hotels—the chief Provincial outlets for beer—enables them virtually to deny to a new firm, access to the major portion of the market. The large amount of capital required to establish a modern brewery of economical size implies that a new firm must undergo a very great risk—hazarding a large initial investment in an enterprise with dubious prospects of success.

Thus the established breweries of the Province have little to fear from outside competition, and need not be concerned about the possibility of competition from local newcomers. The only competition which could exist in the local industry would be competition among the existing local firms themselves. Of this, however, there has been none in recent years. Five of the six local breweries have extensive financial inter-relationships; the two leading breweries (Shea's and Drewry's) jointly own two of the remaining four, while another of the smaller breweries is financially affiliated with the Drewry group. This close financial inter-connection extends to hotel ownership as well—Shea's and Drewry's jointly own five hotels, (in addition, of course, to those which each owns independently). Thanks to their small number and their financial inter-relationships the breweries have, in recent years, acted jointly in regard to the setting of beer prices, and not independently, as would be the case in competitive industry.

The law stipulates that the breweries must sell to the Government Liquor Control Commission all beer produced for consumption in Manitoba, the Com-

mission in turn selling this beer to licensed retail outlets, and selling a relatively small portion directly to consumers itself. Thus at the wholesale level, beer is purchased by a monopoly buyer from a virtually monopolistic seller, the small group of closely connected breweries, acting co-operatively in regard to price setting.

At the retail level beer is sold to the public, for on-premise consumption, by hotels and clubs which enjoy substantial protection against competition. The regulations of the Liquor Commission which restrict the number of beer outlets in each locality according to its population, are designed primarily to prevent excessive consumption. They have the incidental but important effect, however, of conferring monopoly or quasi-monopoly powers upon those outlets which are permitted. Thus in 148 Manitoba localities, a single hotel enjoys a monopoly of the local sale of beer; in other localities where more than one hotel is in operation competition of course exists between hotels, but the prohibition of, or severe restriction upon other types of outlet, shelters the hotels against outside competition. If no such restriction existed, beer would be sold in a good many places besides hotels, and beer sales of hotels would be correspondingly lower. The larger beer sales, and profits, of hotels is consequently attributable to the fact that the law has restricted or altogether prevented the emergence of alternative outlets. The growth in number and size of licensed clubs in recent years has involved no major inroads upon the predominance of hotels as Provincial beer outlets.

It is clear then that both in the production and distribution of beer in Manitoba, important elements of monopoly are present, due in part to natural conditions, and in part to the character of our liquor legislation. The existence of monopoly however, in any field, implies the possibility that the possessors of monopoly power might obligate consumers to pay unduly high prices, and therefore reap unreasonably large gains for themselves, whereas where keen competition prevails, consumers will obtain products at the lowest possible prices, and each producer will earn no more than his services deserve.

In some types of enterprise however, the market is served most efficiently and economically by a single firm, e.g.—in the field of transportation, telephones, water works, etc.; in such public utilities monopoly is generally inevitable. Modern governments have recognized their responsibility for safeguarding the public against the possibility of being charged exorbitant prices for such essential services by private monopolists. In the public utility field governments have either taken over the operation themselves, or have established supervisory boards endowed with authority to control the rates charged by privately owned utilities. Thus Manitoba, in common with other Canadian provinces and American states, operates a telephone system and power utility, and maintains a Public Utility Board which has jurisdiction over rates charged by public utilities in the Province.

Where monopoly is not inevitable or desirable because of technical considerations, the law expressly forbids it; firms which enter into monopolistic combinations when competition among them is feasible, and desirable in the public interest, are liable to prosecution.

The present liquor legislation of Manitoba, in seeking to provide against indiscriminate sale and consumption, closely restricted the number of retail outlets

authorized to sell beer, thereby conferring monopoly or near monopoly status upon those outlets which were authorized. The law attempted to ensure however that the authorized outlets would not exploit this privileged position, to charge high prices and gain unreasonably large returns. In 1928, the Act specified the price at which retail outlets were to sell beer to the public—10 cents per glass of prescribed size, and 20 cents per 12 ounce bottle. It was assumed that this would ensure against the possibility of unduly high prices being charged to consumers, and unduly large profits being earned by hotel-keepers. The Liquor Commission, in its capacity of beer wholesaler, determined the price paid by the licensee; by setting his retail price as well, it determined his exact markup on sales, as well as safeguarding the public.

The Liquor Commission was empowered to vary the retail price of beer, as circumstances warranted. It has revised the price of bottled beer several times since 1928, and, while retaining the price of 10 cents per glass for draught beer, has revised the regulations which prescribed the size of glasses to be used and the level to which they were to be filled.

The Act made no provisions however for control over the price received by breweries. Since the breweries could legally sell their product only to the Liquor Commission\* (excepting sales outside the Province), the price they received would be the price paid by the Commission, and it was assumed by the Legislature that the Commission, acting as a business enterprise, would pay the breweries a reasonable price. The Legislature made no attempt to guide the Commission in this regard however; it presumed that the Commission would be governed in the matter by ordinary business judgment. Against the possibility however, that breweries and distilleries might attempt to earn excessive profits at the expense of the Manitoba public, the 1928 Act authorized the Government to build, purchase or expropriate a brewery and/or distillery, and to produce beer or spirits as a public enterprise.

This drastic power was never invoked; all liquor sold in Manitoba has been the product of private enterprise. The Commission has since its inception, purchased wines and spirits from vintners and distillers located elsewhere in Canada and in other countries, paying the prevailing prices, as charged by the manufacturers to all their customers. The Commission has obtained virtually all its beer supplies from local breweries, purchasing relatively unimportant quantities from brewers in Eastern Canada and overseas.

In its purchases from local breweries, the Commission has maintained the policy of paying a uniform price to all breweries, the price being determined in negotiations with representatives of the local brewery interests, and re-negotiated whenever changes in costs or economic conditions warranted revision. Thus, since 1928, the price has been revised upwards on ten occasions, and downward on two occasions. The upward revisions were generally made in consequence of increases in federal taxation, or the assumption by breweries of an increased obligation in regard to delivery charges. On one occasion, in 1950, a price increase which was intended primarily to offset an increase in federal taxation, was deliberately made larger, in order to compensate breweries for increased labor and material costs as well.

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\*Breweries have been permitted to sell beer directly to consumers, upon authorization of the Commission.

The first downward revision was made in 1936, in consequence of complaints by Manitoba hotels of an inadequate profit margin on their beer sales. The breweries accordingly offered to lower their selling price to the Liquor Commission, with the latter passing the reduction on to the retail outlets. The second downward revision was made in July 1955, when it appeared that the price being paid to brewers in Manitoba was somewhat in excess of that being currently paid to brewers in other western provinces.

In setting retailers' markups and prices to be paid to breweries, the Government Liquor Control Commission has sought to be fair and reasonable, allowing retailers what appeared to be a reasonable profit margin on their sales, and paying breweries a reasonable price for their product. No explicit definition was ever laid down however as to what was reasonable. The Commission has never conducted an investigation of hotel-keeper's profits in order actually to ascertain whether they were in fact reasonable in the light of the latter's investment and services rendered. Nor has the Commission ever investigated brewery profits to ascertain whether the prices paid them yielded returns appropriate to the investment and services performed by the owners.

Having agreed in 1928 upon the prices to be paid, revisions were subsequently made in rough accordance with changes in federal taxation, labor and material costs. By and large the price tended to be revised upward only, i.e., when brewer's costs rose, they promptly demanded, and received higher prices to compensate. When, however, their costs fell, no corresponding fall occurred in their price. Thus between 1928 and 1934, when wages and material costs declined substantially, the price paid to breweries actually rose slightly; similarly during the war and post-war expansion of output, when their large volume of production made possible substantial economies, no decline occurred in the price paid to breweries. Thus the price received by breweries was increased when their costs rose, but was not decreased when their costs fell.

Investigation by the present Commission of Enquiry has indicated that, having regard to the physical properties involved, the profits earned in recent years by Manitoba breweries and a considerable number of hotels have been unreasonably large. This situation has developed primarily in consequence of the very great increase in brewery output and retail beer sales which has occurred since 1939. The prices and markups allowed by the Government Liquor Control Commission, which afforded only reasonable returns to brewers and beer retailers when their volume was small, afforded unreasonably large returns when their volume swelled during the war and post-war years.

The restrictive provisions of the Liquor Act have been a major contributory factor to the great increase in profit earned by these private interests. If no limitations were imposed upon the number of authorized beer outlets, the increase in demand for beer would have induced the establishment of a large number of additional outlets. The increased sales would have been distributed over a larger number of sellers, and consequently the increase enjoyed by any particular seller would have been limited. Since the law severely limited the number of additional outlets, the increase in sales was concentrated upon existing outlets, bringing large proportionate increases in the sales and profits of existing outlets.

The control exercised by the breweries over the majority of the province's hotels safeguarded them against the possibility of being obliged to share the market with newcomers. Other obstacles to entry by new firms, such as the prohibition of advertising and price variation, ensured that the increased demand for beer would be concentrated on the already established breweries. Were it possible for new firms to enter the industry, there can be little question but that additional firms would have been attracted into it by the high profits earned by those already in. In that event the established breweries would have enjoyed smaller gains in sales and profits, for part of the increase in demand would have been supplied by new firms. Thus the Liquor Act has unintentionally contributed to the substantial increase in profits of local breweries during the past fifteen years.

With their large profits providing both the means and the incentive, the breweries have attained control over an increasing number of the Province's hotels. Their profits have furnished the funds wherewith to obtain such control, either by purchase of hotel properties or by lending money on generous terms to private proprietors. Since control over any outlet brings the power to determine which brand of beer it will chiefly sell, acquisition of such control has ensured the brewery concerned of additional beer sales, and therefore, of the profit earned in the production of the additional beer.

The ability and willingness of breweries to pay high prices for hotel properties and to extend generous financial assistance to private purchasers, has been a key factor in the sharp increase in the value of hotel properties. Thus the increase in the market value of hotels has reflected, not merely the increased profitability of hotel beer sales, but also the increased profitability of beer production by the breweries, i.e., the prices paid by breweries for hotels has reflected the profits anticipated in the **production** of the beer to be sold, as well as the profits anticipated in the retail sale of it. As a consequence a great many hotels today have a market value several times greater than their value as physical structures; it is well known that mortgage companies, which lend money on the basis of actual physical values, do not extend mortgages to hotels, owing to the great discrepancy between the market values of hotels and their values considered purely as physical properties.

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Unduly large profits derived from the production and sale of beer are clearly counter to the public interest. It is contrary to public interest that unduly large profits be earned in any industry, on the grounds that those who obtain them are getting more than they deserve, and that inevitably other persons must be getting less than they deserve. Governments consequently have devised a variety of legislative expedients to prevent the continuation of unduly large gains in any industry.

It is most emphatically contrary to the public interest that unduly large profits should be earned in the production and sale of liquor, since the prospect of such profits will inevitably cause producers and distributors to stimulate sales in order to reap the large financial gains involved; and clearly, any arrangement which leads to the stimulation of liquor sales stands self-condemned.

Furthermore, the emergence of unreasonably large profits by brewers and hotel-keepers defeats one of the primary objectives of Provincial liquor legislation.

This legislation was expressly designed to ensure that private interests would not profit unduly from liquor production and sales: it was widely agreed that one of the worst features of the pre-1916 liquor situation had been the activities of the private traders, who had stimulated sales in order to increase profits. The liquor legislation of 1923, which ended the Province's seven years of prohibition, was designed primarily to ensure against the re-appearance of this undesirable feature. However, it has become evident that those features of the present legislation which were designed to regulate and control consumption, have had the incidental effect of affording to brewers and hotel-keepers opportunity for handsome profits. Unwittingly the law has brought into being a situation which it had aimed expressly to prevent.

In dealing with the situation described above, four major alternative courses of action are available to the Government. It may:

(1) Allow brewers and hotel-keepers to charge what they like for beer, relying that competition among themselves, and the opposition of retailers to high prices, will ensure that breweries receive only reasonable prices; and that competition, together with consumers' antagonism to high prices, will oblige hotel-keepers to charge only reasonable markups.

(2) Allow the brewers and hotel-keepers to exploit admitted monopoly power without hindrance, but subsequently take away the greater part of their large gains by some kind of tax.

(3) Establish and operate breweries and beer parlors, as it is empowered to do under the present law.

(4) Institute comprehensive measures designed to ensure that the profits of brewers and hotel-keepers are no more than reasonable.

Considering each alternative in turn:

(1) No reliance can be placed in Manitoba upon competition among brewers to keep down their prices and profits. Their number is too few for effective competition, and their past performance indicates a strong tendency to co-operate rather than to compete. Similarly, no reliance can be placed upon the antagonism of retailers as an effective force for holding down brewers' prices. Ontario and Quebec retail outlets are independent of breweries and organized into powerful associations which can exert compelling pressure even upon the largest breweries; in Manitoba, on the other hand, the chief retail outlets are under the control of the breweries and consequently do not exert any market power in opposition to the interests of the breweries. Finally, in view of the monopoly or semi-monopoly powers enjoyed by many hotels, there can be no expectation that competition will oblige all hotels to charge only fair prices and markups.

(2) The Government could recognize the monopoly powers of both brewers and hotel-keepers, make no attempt to prevent exploitation of the public, but subsequently tax away the major part of gains achieved by such exploitation. The highest possible price might be extracted from the consumer, with the lion's share of the profit subsequently being expropriated by the Government. In such a case, however, the Government would be, in effect, in league with the brewers and hotel-

keepers against the consumer. It is self-evidently undesirable that the Government should thus be a party to exploitation of the Manitoba public, even if it did derive large financial returns therefrom.

(3) It has been widely accepted as contrary to public interest that the Government should manufacture liquor or operate beer parlors. Such a policy would be considered as a last resort, to be adopted only when all possible alternatives are clearly unacceptable.

(4) In the light of the foregoing it is evident that the most appropriate procedure for the Government to follow would be to leave the brewing and hotel industries in private hands, but to control prices and markups, in order to ensure that the consumer pays a reasonable price, and that the private interests involved earn only reasonable returns for their efforts and investment. In view of the number and complexity of considerations involved, detailed and comprehensive investigation would be required concerning the profitability of hotel and brewery operations in the Province. Periodic revisions of prices and markups would no doubt be necessary, in order to follow changing conditions and circumstances. The complexity of the considerations involved would render it impossible to achieve a solution which would be unquestionably and in all respects perfect. One may safely assume however that the solution would be reasonably near the ideal, in contrast to the present state of affairs, which is altogether too far removed from the ideal.

It is suggested that the following objective would be appropriate in controlling prices and markups:

(1) Brewers should receive a reasonable price for beer—i.e., the price required to cover costs and yield a reasonable return on investment.

(2) Hotels should receive a reasonable markup on beer sales—i.e., the profit margin required to cover costs and yield a reasonable return on their investment in facilities for selling beer. (In the case of both brewers and hotels, care would have to be taken to ensure that inflated salaries of executives were not allowed as costs.)

(3) The Government should receive a reasonable revenue on beer sales—i.e., a revenue which reflects the generally prevailing opinion that governments are justified in imposing substantial taxes on liquor, as an acceptable means of raising revenue, and restraining consumption.

(4) The consumer should pay a reasonable price—i.e., a price which is not so high as to restrict the use of liquor to the wealthy, nor so low as to encourage indiscriminate consumption.

(5) There should be no incentive to either brewers or hotel-keepers to stimulate sales—i.e., prices and markups ought ideally to be so arranged that brewers and hotel-keepers earn no extra profit through increasing their sales above some normal figure, and consequently will have no monetary incentive to achieve such increases.

In determining what are reasonable prices to breweries, and reasonable markups to hotel-keepers, the following criterion is suggested. We take it for granted, in our free enterprise economy, that prices paid and income earned, in open competition, fairly represent the value of commodities and the worth of individuals. Consequently the objective of government legislation ought to be to ensure that the

incomes gained by those persons engaged in the liquor industry are no greater than what they would have received had the industry been fully competitive. This would require that each individual concerned in the industry receive no more than he would have received had he performed similar services in some other industry where keen competition prevails; i.e., that brewery executives be paid no higher salaries than executives holding positions of comparable responsibility in competitive industries, and that capital invested in the brewery and hotel industries receive no greater return than that received on capital invested in competitive industries, under conditions of comparable risk and uncertainty. If these conditions were fully achieved, then it might fairly be claimed that the brewery and hotel interests were not the favored beneficiaries of the semi-monopoly situation which has come into being as a consequence of the government's attempts to regulate consumption, and of those natural conditions which tend to limit the possibility of competition, particularly in the brewing industry.

In attempting to determine the appropriate price—i.e., the price which would prevail if the industry were fully competitive, two alternative approaches may be followed, and each has its merits. Firstly, the price might be set at the level prevailing in those other Canadian provinces where reasonably effective competition is evident among the breweries, and where the prevailing price may therefore be considered to be a fair, competitively determined price, e.g., in Ontario and Quebec where keen competition prevails among three powerful brewery groups, and the retail outlets are organized into strong, independent organizations, which have in the past been able to exert compelling pressure on the breweries, and thereby obtain, on at least one occasion, important price reductions;\* in these two provinces, where this competition prevails among brewers, and organized opposition exists on the part of the retailers, the price received by brewers is significantly lower than in any of the western provinces where there is little evidence of brewery competition, and where breweries sell their beer, not directly to retailers, but to a government monopoly organization. Thus the procedure might be adopted of paying Manitoba breweries the same net price as is received by the breweries of central Canada, on the grounds that this is a competitively determined price, which certainly appears to be adequate to those receiving it: there is no evidence of financial hardship being suffered by eastern breweries, despite the fact that they receive a net price considerably lower than that received by breweries operating in the western provinces.

(There is little reason to assume that the discrepancy between the prices received by Manitoba brewers and the prices by brewers in eastern Canada is due wholly to difference in production costs. The main ingredient in beer, malt, is actually produced in the west. While perhaps some eastern breweries do achieve production economies as a result of their larger scale of production, it is to be noted that there are, in eastern Canada and the Maritimes, breweries of comparable size to those in Manitoba, and that they are operating successfully on the basis of a price substantially lower than that received by Manitoba breweries.)

Similar procedure in regard to the setting of hotel markups is probably not feasible, since even in eastern Canada restrictions are imposed upon the number of

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\*See "Restrictive Trade Practices Commission: Report Concerning an Alleged Combine in the Manufacture, Distribution and Sale of Beer in Canada," Ottawa, 1955, p. 28.



retail outlets; hence it cannot be assumed that the profit margin gained in these provinces by retail outlets represents a competitive return.

The alternative approach, in setting brewery prices, would be to estimate the costs of local breweries, plus their capital investment, and to set a price which covered their costs and yielded a fair return on investment. Such a procedure is generally followed by government boards regulating the rates charged by privately owned public utilities which possess monopoly powers. Thus the Federal Power Commission of the United States, in setting the rates charged by gas pipe line companies has adhered to the view that the rates should cover costs and yield a return of 5 to 6½% on the "prudent investment" of the company, i.e., on the property which the firm actually required in its business, and which would have been acquired by any intelligent businessman.

In Canada, the Board of Transport Commission has actually refused to allow railway freight rates even high enough to yield a fair return on railway investment, where it felt that such rates might be unduly onerous on some sections of the country. Thus in its judgment of February 15, 1954, the Board refused to authorize a 9% increase in freight rates, which the C.P.R. requested on the grounds that only such an increase would enable it to earn a return of 5% on its investment.

The Manitoba Municipal and Public Utility Board, which controls the rates charged by public utilities in the province, has taken care to ensure that the rates it allowed, yielded no more than a reasonable return on capital invested. Mr. D. L. Mellish, then Chairman of the Board, made the following observations in 1948, in explaining why the Board granted a Winnipeg Electric Company request for an increase in transit fares:

"In some jurisdictions it is held that such rates can be determined on the basis of valuation of the properties of the utility used and useful in the service of the public, the theory being that, having a fixed valuation, the regulative authority can then calculate the operating expenses, the amounts necessary for taxes and reserve funds each year plus a rate of return due to the shareholders as a percentage of such valuation and then proceed to build up a rate structure accordingly. This procedure appears to be settled law in most of the United States, and has been followed by the Public Utilities Commission in former years."\*

Three alternative methods may be used in establishing the valuation of the investment of a public utility company, and each produces a significantly different result. The actual valuation placed upon its investment will be crucially important, since the company concerned will presumably be allowed to earn only sufficient profits to provide a reasonable return upon this figure. Thus its allowed earnings will vary in accordance with the valuation placed upon its property. Each method is briefly discussed below:

(1) The property may be valued at its reproduction cost, less accrued depreciation. This method has serious disadvantages however which render its use inadvisable. In a good many cases no reliable reproduction cost is available, since identical

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\*Reasons for judgment in granting fare increases to Winnipeg Electric Company, November 3, 1948.

plant or equipment is no longer being produced. Furthermore employment of this procedure would involve windfall gain or loss to the owners of the property concerned, according to whether reproduction costs were above or below original cost. The appropriate level of profits is that which will fulfil the reasonable expectations of investors at the time of making the investment, i.e., that level of profit which will return to owners their original capital plus a reasonable annual return on their investment.

Imposition by public authority of a price which yielded profits below this level would of course be intolerable. On the other hand authorization of profits above this level would afford unduly large returns to the companies concerned, thereby in effect defeating the objective sought in establishing a supervisory authority. During a period of falling reproduction costs, use of this method would have the result that public utility profits were lower than required to return their capital to investors, and pay a reasonable return on their investment. During a period of rising reproduction costs, use of the reproduction cost method would yield company profits greater than required to return their capital to investors, and pay a reasonable return on investment.

The purpose of governmental regulation of public utility rates is to ensure that the firms do not take advantage of their monopoly position to make unduly large gains. In competitive industry the emergence of excessive profits generally involves the entry of new firms whose competition causes the prevailing rate of profit to subside to the normal level. The advent of such competition is not to be expected in the case of public utilities, and it is consequently the responsibility of the authorities to ensure that the profits of monopolistic public utilities are no greater than they would have been had they been exposed to the erosive effects of competition.

(2) A public utility company might be valued as a going concern, i.e., at the total market value of its outstanding securities, and it might be allowed such profits as would constitute a reasonable return upon this value. While superficially plausible, this approach is entirely inadmissible. The market value of a firm's securities depends upon the general expectation of its future profits, this expectation in turn being heavily influenced by the firm's past and present earnings. A high market value for the securities of a public utility may therefore reflect the fact that its earnings are excessive—that it has been exploiting its monopoly position. If the regulatory authority were to accept this inflated valuation, it would in effect perpetuate the excessive earnings; to realize a normal return on this inflated valuation, the firm would have to continue earning profits which were excessive in relation to its actual investment. The earning of such profits in the past indicated exploitation of monopoly power; it is the task of the regulating authority to prevent such exploitation of monopoly power in the future. The authority is under no obligation to fulfil those expectations, founded in the previous uncontrolled exploitation of monopoly power, which have produced an inflated valuation of securities.

(3) The valuation of a public utility's investment might be estimated as being its original cost, plus subsequent additions, and less accrued depreciation. The weight of informed opinion leans to this view, and public utility boards have in recent years, fairly generally adopted this method of valuation. It has the merit of

ensuring that profits do not exceed the level required to return their capital to investors and pay a reasonable return on investment. This is the primary objective of governmental regulation; use of either of the two methods previously described involves the possibility that this objective will not in practice be realized—i.e., that the return to investors will be higher than the competitive level, reflecting exploitation by the public utility of its monopoly power.

In periods characterized by rising reproduction costs, the third method might be appropriately modified to ensure the capacity of the firm to finance replacement, e.g., depreciation might be based, not on original cost, but on reproduction cost, thereby enabling the firm to accumulate the larger sum required to replace worn out plant or equipment, when replacement cost exceeds original cost.

In attempting to apply to the local brewing and hotel industries the regulative procedure employed by public utility boards, one important complication would develop. Public utility services are typically provided by a single firm, and the rates allowed by the authorities are designed to permit an appropriate return on the investment in that single firm. The brewing industry of Manitoba consists of six different firms, organized into three distinct groups. Conceivably, therefore, at the same price of beer, different breweries would earn different rates of return, in accordance with the size and efficiency of their operations, their market advantages or disadvantages, etc. In this event it is suggested that the appropriate procedure would be to set a price of beer which would yield a fair return on the capital invested in the brewery industry as a whole. The more efficient firms would consequently earn a return above the norm, the less efficient firms would earn a return below the norm. In this way an appropriate differentiation would be maintained between the rewards of more efficient and less efficient firms.

The same general procedure might be followed in the setting of profit margins allowed to hotels; i.e., the regulating authority might calculate the total investment by all the province's hotel-keepers in facilities for selling beer and allow a retail markup calculated to yield a reasonable return to the hotel industry as a whole. More efficient hotels would earn more, and less efficient hotels would earn less.

Differential license fees might be levied on hotels in different locations or of different sizes in order to achieve desirable objectives, e.g., small country hotels whose beer profits enable them to maintain facilities for the travelling public which otherwise would not be available, might be licensed at a low rate, while hotels in large urban centres which provide negligible facilities for the travelling public, but sell huge amounts of beer, might be licensed at very much higher rates.

In Ontario and Nova Scotia differential license fees are applied to beer retailers, with the rate being graduated sharply upward on the larger outlets; in Ontario the size of the license fee varies as well between different types of outlet, showing preference for those types of outlet which maintain desirable facilities for public use, in addition to selling liquor.

## SUMMARY

1. As a result of both natural conditions and regulations of the Liquor Act, the private interests engaged in the production and sale of beer in Manitoba enjoy important monopolistic benefits.
2. The Liquor Act has unwittingly made the breweries and hotels favored beneficiaries of the great increase in beer consumption which has occurred in Manitoba since 1939. Restrictions on new outlets have ensured that existing outlets and breweries reaped virtually the full benefit of the huge increase in demand, enjoying corresponding gains in profits.
3. The profits currently earned by Manitoba breweries and many hotels are unreasonably high in relation to the physical attributes of these properties, and services performed by owners. These profits are not merely appropriate returns on genuine investment, but gains accruing from the possession of monopolistic power.
4. If the Government were to attempt to restrict the profits earned by the private interests engaged in beer production and sale, it could follow either of two courses:
  - (a) Set the price paid for beer to local breweries at the level which prevails in the competitive markets of eastern Canada.
  - (b) Set the price of beer at the level required to pay brewers' costs and yield a reasonable return on their investment, with investment being considered as original cost, plus subsequent additions, less accrued depreciation.
5. The Government could design a system of license fees to favor those beer outlets which provided desirable public facilities, in addition to selling beer.

## REPORT ON POSSIBLE METHODS OF CONTROL OVER THE SALE OF BEER

JOHN L. McDOUGALL  
Kingston, Ontario.

The problem assigned to me by your Commission is to report on the possible methods of control over the sale of beer in the province of Manitoba with special consideration to be given to the manner in which the selling price of the product and the industry profit level should be controlled if it is decided to declare that the industry is a public utility.\* The approach which will make the basic principles stand out most clearly is to determine who are the parties chiefly interested, to set up the objective which it seems desirable to aim at and then to canvass the chief alternative methods of achieving it without regard to the local acceptability of any of them. When that has been done one may more fruitfully consider these methods in the light of such considerations.

\*What was sought was not whether the industry should be declared a Public Utility but whether the Public Utility Commission type of approach to the settlement of beer prices to brewers was practicable and whether it had advantages over the present method. Both of these points are covered in his report.

The parties concerned are the consumers of beer, the producers and marketers of it, and the province which may regard beer as a legitimate object of a special consumption tax.

The objective is to achieve a rough equity as between the first two of these namely the consumers and the producers. Neither one should expect to exploit the other.

The interest of the state in beer as a source of revenue is one which is recognized by most states and provinces upon this continent and by both the federal governments.

For present purposes, it may be taken as a constant in the equation.

Broadly speaking there are three main courses of action which are open to any province in this matter. The first is to leave the trade alone to be governed by the forces of competition. The second is to attempt by taxation to skim off so much of the profits, that what is left is too small to need regulation. The third is to attempt to regulate the whole trade either by directly setting buying and selling prices or by declaring the trade to be a public utility and then setting up general rules within which it is required to function.

The first of these solutions is one toward which an economist has a natural bias. The industry is one in which the economics of scale are very great and the elasticity of demand is not high. Both of these characteristics give it a bias toward relative reasonableness in its pricing policy. Costs come down sharply with an increase in the size of plant. An increase in the selling price of beer of 1 per cent is likely to cause a decline of about  $\frac{1}{2}$  per cent in the quantity of beer consumed\* (other prices being held constant). If this solution is adopted, then no regulation is needed, except such general regulation as is applied to all food industries under the Food and Drug Act, or to all industries under Minimum Wages Acts and other statutes of general application.

The province refuses to accept any special responsibility for this industry. If prices and profits are depressed, then producers may fail. If consumers are exploited, then the responsibility lies at the door of the Department of Justice and of the Restrictive Trade Practices Commission; but the province has no responsibility. It left the field to be regulated by market prices and those in it have no claim against it if they fall into difficulties.

The second possibility is for the province to limit its connection with the trade to special taxation. Under this solution, taxes are levied at rates which leave nothing for the producers of beer beyond the amount necessary to keep them in the trade. It may be necessary to approach the final scale by trial and error over a period of three or four years, but, conceptually at least, there is nothing against such an attempt to find the point at which the lion's share of the gross profit to be divided between the province and the producers is appropriated by the province. Nominally, the producers are free to increase prices, but in fact there is a point at which any further increase in price contracts sales so sharply that they find it wise not to do so.

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\*This has, at least, been the recent experience in the province of Ontario.

Taxation of cigarettes in Canada is a concrete example of this policy in action. In 1950-51 taxation was pushed too high, cutting consumption and encouraging smuggling on a large scale. Taxes were then reduced until demand started to grow again and the incentive to smuggle was reduced within controllable limits. But under all conditions the producers' earnings are almost a negligible part of the total amount taken in excise taxes alone. Full support for this statement is given in Appendix I below.

The third possible course is to have the province intervene in the pricing process by taking over the distribution of the product. Once it has taken over distribution it is compelled to set the price at which it will buy beer from the producers and also the price at which it will sell to consumers whether directly or through intermediaries such as hotels and taverns.

Once the province makes the basic decision to charge itself with distribution, the government of the day stands exposed to the charge of either conniving in the exploitation of consumers by allowing excessive profits unless formal machinery is set up for the public determination of prices with full representation of all the interests involved. Without such machinery, the best that can be said is that the setting of the price paid to producers and of the price at which sale is made to hotels, and by them to ultimate consumers, is a horse-trade carried on in secret. It may be good horse-trading; but there is no way of proving that it is so. Furthermore, if there is only one liquor commissioner, he carries a painful load of responsibility. It is also unfortunately true that he holds the reputation of the government in his hands. Any failure of judgment on his part or still worse a failure to stand above suspicion will be laid at the door of those who appointed him.

This is a greater burden than should be put upon any one man and, equally a greater risk than any government can be expected to undertake. Machinery must be devised to safeguard against these risks.

In effect this means that once the province takes responsibility for the pricing of the product, it must for its own protection, go on to formalise the machinery under which this is done. This probably means that it should make the setting of prices a proceeding before a public utilities board before which all the parties in interest have a right to be heard.

The first of these solutions is not politically feasible. Whatever its other attractions it may be disregarded. The administrative complications of the third solution are very great; so great, indeed, that it should be avoided if that is at all possible. Life is not lived to provide a field day for lawyers, economists and accountants and that is one of the probable consequences of this solution.

Furthermore, most industries which have been declared to be public utilities have been monopolies within a particular territory. This may be because that is the only way in which the services can be carried on, as for example, a ferry or bridge across a river. It may be because only a monopoly can give good service, as for example, telephone service. A third possibility is that the capital costs involved are so high that the public is better and more cheaply served by a monopoly than it could be done if competition were allowed, as for example, the production and distribution of electricity or of manufactured or natural gas. Railways are the only

substantial example of the regulation of industries which are competitive in any substantial degree with each other and with other carriers. This is more an apparent than a real example because railways became a regulated industry when there was no competitive land transport. Secondly, the nature of railway pricing brought very substantial complaints of discrimination as between shippers. No such complaint is likely in relation to the sale of beer.

Lastly, regulated industries in the past have principally been strategic industries in the sense that a great many others depended on them. If beer is not brewed the rest of the economic community continues to function. If railways do not operate, or if electricity is not available, the rest of the community is gravely disorganized.

For these reasons the second solution, namely that of regulation through the provincial taxing power, is recommended. It is relatively simple. It probably will be more effective than any attempt at a direct setting of producers' and hotel-keepers' margins. Above all else it is the easiest of all solutions to apply. No doubt it will produce a substantial tax revenue but under present conditions, the consumers who ultimately bear the tax will not object too strenuously, and the government will probably be able to find a use for the money.

If the decision is made to recommend the retention of the power to set selling prices and to regularize it by putting the control over price under a public utilities board, the statutes listed in Appendix II may be useful by way of reference.

(Signed) John L. McDougall.

### APPENDIX I

Excise duties and taxes collected by the Dominion government on tobacco, cigarettes and cigars for the last five fiscal years have been as follows:

| Years to<br>March 31 | Excise Duties | Excise Taxes<br>(Thousands of dollars) | Total     |
|----------------------|---------------|----------------------------------------|-----------|
| 1951.....            | 114,486       | 85,199                                 | 199,685   |
| 1952.....            | 100,711       | 106,354                                | 207,065   |
| 1953.....            | 116,914       | 102,645                                | 219,559   |
| 1954.....            | 96,970        | 113,161                                | 210,131   |
| 1955.....            | 99,000        | 114,000                                | 213,000   |
| Total.....           | 528,081       | 521,359                                | 1,049,440 |

(Canada Statistical Review, May 1955, Table 60. The data for the year to March 31, 1955, are subject to minor revision.)

Imperial Tobacco Company of Canada Limited is a major part of the tobacco industry. Informed estimates put its sales at about 70 per cent of the industry total. Its proportion of total profits is probably higher than its proportion of

total sales but that is not assumed in the comparisons which follow. The amount which it has earned for its security holders in the last five calendar years is as follows:

| Year to<br>December | Interest on<br>the funded<br>debt<br>(Thousands of dollars) | Other Shareholders'<br>proportion of profits<br>of subsidiary<br>companies | Net Profit     | Total Earned<br>for all security<br>Share-<br>holders |
|---------------------|-------------------------------------------------------------|----------------------------------------------------------------------------|----------------|-------------------------------------------------------|
| 1950                | 670.8                                                       | See note                                                                   | 9,457.6        | 10,128.4                                              |
| 1951                | 720.8                                                       | 160.3                                                                      | 5,418.6        | 6,299.7                                               |
| 1952                | 720.8                                                       | 166.8                                                                      | 6,880.3        | 7,767.9                                               |
| 1953                | 720.8                                                       | 167.4                                                                      | 7,533.0        | 8,421.2                                               |
| 1954                | 696.8                                                       | 164.9                                                                      | 7,884.6        | 8,746.3                                               |
|                     | <hr/> 3,630.0                                               | <hr/> 659.4                                                                | <hr/> 37,174.1 | <hr/> 41,363.5                                        |

(The Annual Reports of the Company. The accounts are on a consolidated basis in and after 1951. Before that it presented a general balance sheet only.)

If the estimate of Imperial's share of the total market is correct, then the aggregate earnings of the whole industry may be taken as 100/70 of \$41,363.5 millions or \$59.1 millions. This is 5.63 per cent of the amount taken by the Dominion in excise duties and taxes only.\*

If there is any possibility of approaching such a situation with respect to beer in Manitoba it would need great courage to recommend any more complicated and difficult method of arriving at the same general result.

## APPENDIX II

The following list shows the chief Dominion and Provincial statutes for the regulation of utilities in Canada.

1. Canada. "The Railway Act." Revised Statutes, 1952, Chapter 234.
2. Nova Scotia. "The Public Utilities Act." Revised Statutes, 1954, Chapter 243.
3. New Brunswick. "The Public Utilities Act." Revised Statutes, 1952, Chapter 186.
4. Quebec. "The Public Service Act." 13 Geo. VI (1949), Chapter 47.
5. Manitoba. "The Municipal and Public Utility Board Act." Revised Statutes, 1954, Chapter 175.
6. Saskatchewan. "The Public Utilities Companies Act." Revised Statutes, 1953, Chapter 129.
7. Saskatchewan. "The Gas and Electric Rates (Public Corporations Act)." *Ibid.*, Chapter 130.

\*There is, of course, other Dominion revenues from sales taxes and corporation income taxes, but they are omitted as general and not special taxes.



8. Alberta. "The Public Utilities Act." Revised Statutes, 1942, Chapter 28. (Revisions have been made in 1944, 45, 49, and 53.)
9. British Columbia. "The Public Utilities Act." Revised Statutes, 1948, Chapter 277.

As collateral reading see:

D. Philip Locklin, "Economics of Transportation" (3rd ed.; Chicago: Richard D. Irwin, Inc., 1947). Chapters IX-XII.

A. W. Currie, "Economics of Canadian Transportation" (Toronto: University of Toronto Press, 1954). Chapter XVI.

Marvin L. Fair and Ernest W. Williams, Jr., "Economics of Transportation" (New York: Harper & Bros., 1950). Part IV.

Truman C. Bigham, "Transportation: Principles and Problems" (New York: McGraw Hill Book Company, 1946). Chapters 5-8.

## CONTROL OF THE WHOLESALE PRICE OF BEER

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Dr. Currie declined to make any statement which might be interpreted as taking sides on the controversial question of liquor and liquor control. It was only on the understanding that this be made clear that he consented to give his view as an economist with respect to the practicability of using the Public Utility approach to the determination of a fair price to brewers for beer under a system of Government Control such as now exists in Manitoba.

In Manitoba and some other provinces of Canada, beer is purchased by a provincial agency for distribution through government-owned stores. The problem is what price the government should pay for beer which is produced under monopolistic (single seller) or semi-monopolistic conditions and purchased by a monopsonist (single buyer). Where broadly similar conditions prevail in the supply of natural gas, electricity, water, urban transport, and the like, the price, rate or fare is ordinarily set by a Public Utility Commission. No province has applied the same principle to setting the price of beer but there seems no legal or practical reason why a government should not do so if it wished.

The advantages of having the wholesale price of beer set by the Public Utility Commission include:

1. **The Commission must act judicially.** A Commission is not a court. If it were, its members, like all judges, would have to be appointed by the Dominion. In essence, the Commission is an administrative body but it has some of the aspects of a court. At all events it must act as a properly established court would under

the circumstances of any particular case. For example, it must give all interested parties an opportunity to be heard. It must hold hearings which are open to the public. It must act upon evidence produced in accordance with the law, and, though it may have its own confidential advisers or experts, it must base its decision on authenticated facts. Conversely, it must not issue *ex parte* orders, that is, after hearing only one side. It must not act arbitrarily and with obvious bias, nor may it suppress facts or refuse to hear witnesses whose evidence would have a reasonably direct bearing on the point at issue.

As a rule, whenever decisions of a regulatory commission are appealed to regularly constituted courts, judges support the commission's decision. Judges take the position that commissions composed of fair-minded men and advised by experts in the field are better qualified to arrive at a fair decision than courts whose members have a different background of training and experience, and who often lack the time to get to the root of what is essentially an economic or business problem. Nevertheless, courts are most insistent that regulatory commissions act judicially. They throw out decisions which are not supported by evidence or are based on patently incorrect data or which for some other reason are based on improper legal principles.

More specifically, having the wholesale price of beer set by a Public Utility Commission would ensure that both Province and breweries would have full opportunity to present to the Commission and to the public every aspect of the case favorable to its own position. Incidentally, courts do not insist that the evidence before the Commission be elaborate, exhaustive, or complete in every detail. But there must be facts to go on and the Commission must not act in a high-handed manner.

## **2. The Commission is, or ought to be, technically qualified for this task.**

The qualifications and background of Commissioners vary across the country. The size, training and experience of their staffs also vary considerably from one province to another, and even from year to year within the same province. On the face of it, the Commission should be capable of setting the wholesale price of beer because setting a price is essentially the same problem in one industry as in another. It involves the analysis of balance sheets, profit and loss statements and other financial records, comparison with the price of the same goods or service in other areas, or, sometimes, the price of competing goods, and so on.

## **3. The Commission is presumably free from the suggestion of political bias.**

Because the Commission is required to act like a court, it acquires some of the prestige of a court. The decision of a civil servant, a Minister, or of the Cabinet may be severely criticized on the platform, in newspapers and in the Legislature. The same decision handed down by a court or by a semi-judicial regulatory authority may be acceptable to almost every citizen. The mere fact that the Commission is sheltered by the prestige which courts enjoy among British peoples, tends to make it cautious, scrupulous in its desire to reach a fair decision and, in a word, anxious to act judicially.

Some objections to the proposal may be dealt with. Some provincial Commissions are so burdened with administering the Municipal Act of the province concerned that they are forced to neglect the regulation of public utilities. A few are handicapped by inadequate staffs or are composed of elderly men who regard their job as a political sinecure. But in general, the Commissions effectively enforce a mass of detailed orders and there has been relatively little criticism of their work. The fact that Commissions assume such a variety of duties can be taken to justify the addition of one more task. On the other hand, it can be argued that the multiplicity of their functions is a reason for not burdening them with still another job. Lacking up-to-date knowledge of the present situation in Manitoba, I am unable to reach a fair conclusion on this matter. Superficially, setting the wholesale price of beer would not seem a very onerous task and would not involve any additional expense to the government. Yet it is clear that one does not solve a problem merely by transferring it from one group of men to another.

If the work of setting the wholesale price of beer is assigned to the Public Utility Commission, it may be necessary to give it some directive regarding the basis on which it should proceed. With respect to public grain elevators and bulk grain carriers on the Great Lakes, the Board of Grain Commissioners seems to have a free hand to set rates for elevation, cleaning, storage and hospitalization. I understand that the Board takes into account operating expenses including taxes and interest and on the cost of assets, the necessity for a fair return on bonds and stock, the rate of dividends paid by other companies which have about the same degree of risk, the need for attracting new capital to the industry in order that the public may be supplied with the amount and quality of service which it requires, and so on. However, the Board does not make nor does it encourage the production of elaborate financial statements, neither does it attempt to value physical assets with any precision. In brief, it tries to set fair rates—fair to the public and the owners of elevators—without the use of elaborate administrative machinery.

The Board of Transport Commissioners is given no specific directive governing the general level of rates on railways and telephone companies which are subject to Dominion jurisdiction, except that tolls must be fair and reasonable, must not be unduly preferential in favour of, nor unreasonably discriminatory against, any shipper, consignee, class of traffic or locality. Since 1952 the Board must carry out the national transportation policy of uniformity of rates in all parts of Canada (with several exceptions). On the other hand the Public Utility Commission in Nova Scotia sets rates after rather elaborate studies of the original cost of assets. The same principle applies in Prince Edward Island and British Columbia. In Manitoba, unless the law has recently been changed, the Board must approve the issue of securities in order to prevent the sale of watered stock which does not represent any investment in cash but on which, none the less, its owners may expect a reasonable return. The Manitoba Board may appraise and value the property of a public utility whenever in its judgment it is necessary to do so.

There are no specific instructions as to what the basis of valuation is to be or how the reasonable rate of return on this valuation is to be arrived at. At the same time, the Board is specifically directed to set rates which are just, reasonable, and non-discriminatory. The Board has extensive powers under the Telephone Act,

the Greater Winnipeg Water District Act, the Winnipeg Sanitary Districts Act, the Water Rights Act, the Taxicab Act and perhaps some others. By far its most important work is the administration of the Municipal Act. A few years ago when I looked into the matter, I was told that, on account of its lack of professional and technical staff, the Manitoba Commission was issuing only routine orders in connection with public utilities and was spending substantially all its time on the Municipal Act. Conditions may have changed, however, since the end of the War.

It is important to note that the United States, which formerly had an elaborate arrangement for setting the general level of rates on railways and most other public utilities, has recently simplified its practice. In a series of cases beginning in 1942, the United States Supreme Court ruled that in dealing with appeals involving the rates on railways, electric light and power companies, gas and telephone companies and other public utilities engaged in inter-state Commerce, it would look at the overall result. If the rate set by the regulatory Commission was fair, reasonable, and non-discriminatory, the Supreme Court would not inquire into the method which the Commission used in arriving at its decision. Apparently the Supreme Court has brushed away the elaborate studies and an enormous mass of technical rules and hereafter will approach the regulation of rates on public utilities in a simple, straight-forward manner.

September, 1955.

**RECOMMENDATIONS**  
**OF**  
**THE MANITOBA LIQUOR ENQUIRY COMMISSION**  
September 1, 1955.

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**Method of Sale:**

**Terms of Reference Instruction 9 (1) (a)**

We recommend:

1. That the basic policy of Government monopoly over the sale of all packaged liquors through Government controlled and operated liquor stores for consumption off the premises be maintained.

2. That the G.L.C. Commission be enlarged to a three member commission as now permitted by law, consisting of a full-time Chief Commissioner and two part-time Deputy Commissioners. (See Reservations)

3. That the Licensing Board be continued as a five member Board with the members to consist of three G.L.C. Commissioners plus two private citizens. (See Reservations)

4. That in the interest of more equitable service to all parts of the Province, the G.L.C. Commission survey the present liquor store outlets with a view to determining the need for stores in those areas which are now inadequately served—e.g., the Swan River Valley, Southern Manitoba, the Inter-lake region and certain of the larger communities near the Saskatchewan and Ontario boundaries.

5. That in any small rural centre which is a considerable distance from larger centres having Government liquor stores and in which it would not be economically advisable to expend public monies on new liquor store outlets, the G.L.C. Commission be given authority to designate one agent, preferably a drug store, as its representative for the off-sale of packaged spirits and wine.

6. That if additional stores should be considered necessary in the City of Winnipeg and suburban areas, these be placed only where the demand is greatest, and where reasonable parking facilities are available nearby.

7. That a delivery service of liquor be re-instituted by the G.L.C. Commission, the details of such service to be determined by the Commission.

8. That, in the event of a delivery service being established, telephone orders for liquor purchases be accepted as formerly by the G.L.C. Commission and that appropriate delivery charges be levied on C.O.D. orders.

9. That during such times of heavy sale as Christmas and New Year's, etc., when crowding of liquor stores is common, all Government liquor stores be kept open for business for longer hours, and that the public be duly advised of these longer hours through the placing of suitable advertisements in local papers.

10. That the markup on wines by the G.L.C. Commission be graduated according to alcohol content without regard to the country of origin.

11. That the G.L.C. Commission make beer available for sale in quantities of less than six bottles.

12. That the G.L.C. Commission designate on their retail price lists which wines are fortified and which are natural.

13. That the G.L.C. Commission maintain a reasonable limitation on the maximum quantity of liquor purchased by a person in one day, having in mind that the present maximum restrictions have been reasonably well accepted by the public.

14. That subject to the above limitation, the administrative restriction to one case of beer per day to a purchaser on a cash and carry basis be removed.

15. That the higher retail prices established for beer in certain Northern points in the Province be reviewed by the G.L.C. Commission to assure that these beer prices are proportionately no higher than the prices charged for other commodities or services in these remote areas.

16. That, for the purpose of maintaining good trade relations between Canada and the United Kingdom, the G.L.C. Commission review the markups on imported Scotch whiskey and domestic whiskey with a view to ending any discrimination which presently exists against imported whiskey.

17. That the G.L.C. Commission no longer be required to wrap or enclose in sealed cartons or packages all liquor dispensed in Government liquor stores, and that the liquor store stocks be so arranged as to enable purchasers to see the selections of liquors available for purchase.

## **Permit System:**

### **Terms of Reference Instruction 9 (1) (b)**

We recommend:

1. That the individual general permit system be discontinued.

2. That every person desiring to purchase liquor from a Government liquor store be required to complete an order form showing his name, address, date of purchase, and the amount and price of the liquor to be purchased.

3. That producers be required to produce identification when requested so to do by liquor store clerks; and that authority be given to the G.L.C. Commission to demand proof of age from any prospective purchaser whose age may be in doubt, the onus to be on the purchaser to prove that he is not a minor before any sale is made to him.

4. That the consumption of liquor purchased from off-premise outlets be legally permitted only in bona fide residences and that its consumption be forbidden in public places and in motor vehicles of any description; and that the definition of the term "residence" as contained in the present Act be enlarged to include the lands or grounds appurtenant to the dwelling which are essential or appropriate for the convenient use, occupation and enjoyment thereof as a private dwelling.

5. That distilleries, wineries, breweries, licensed premises, and the servants, employees and agents thereof be forbidden to make gifts of liquor, but that otherwise gifts of liquor in such limited quantities as are determined by the Commission be not prohibited where:

(a) The donor is in lawful possession of the liquor, and

(b) The donee is a person permitted under the Act to purchase and consume liquor.

6. That the term "Occasional Permit" be substituted for the term "Banquet Permit."

7. That occasional permits be not issued for any event at which the making of profit is permitted.

8. That the staff of the Chief Inspector be increased in order to carry out more thorough inspection of premises holding occasional permits as well as other licensed premises.

9. That the number of occasional permits issuable in one year to any person or organization be left to the discretion of the G.L.C. Commission, but that in exercising this discretion, the Commission take all practicable steps to prevent the abuse of such permits through the selling of liquor for profit and through sales to minors.

10. That the holder of an occasional permit be allowed to sell liquor by the glass to guests in premises covered by the permit provided that the permittee does not sell the liquor for a price in excess of cost plus handling and servicing charges.

11. That all applicants for occasional permits be required to state whether they intend to charge for liquor at the event covered by the permit and, if so, the price at which the liquor is to be sold.

12. That the Commission, at its discretion, may either have returned or permit occasional permittees to retain, or dispose of, small quantities of liquor remaining at the close of the event covered by the permit.

13. That the food requirements for events covered by occasional permits be left to the discretion of the G.L.C. Commission, such requirements to be suitable to the type of occasion covered by the permit.

### **On-Premise Sale of Liquor:**

Terms of Reference Instructions 9 (2) (a), (b), (c), (d), (e).

We recommend:

1. That none of the types of licenses listed below be granted in any city, town, village or rural municipality unless and until a majority of the electors therein have approved of the establishment thereof by local option vote; but that no new local option vote be required for beer parlors already licensed.

2. That the Act give permissive power for the establishment of the following basic types of licenses for the on-premise sale of liquor in any local option area:

1. Beer Parlor License,
2. Restaurant Beer and Wine License,
3. Beverage Room License,
4. Dining Room Liquor License,
5. Cocktail Room License,
6. Carbaret License.

(See Reservations)

3. That "wine" be defined as any liquor obtained by the fermentation of the natural sugar content of fruits or other agricultural products, but in any case not exceeding 14% alcohol by volume.

(See Observations)

4. That the requirements for beer parlor licenses be continued in their present form with the exception that:

1. Beer parlor licenses be granted only where there is a legitimate community need therefor, and only for establishments having a seating capacity not in excess of what is considered reasonable and necessary by the G.L.C. Commission.
2. Beer parlor licensees be required to make available to patrons in the beer parlors:
  - (a) fresh water for drinking;
  - (b) soft drinks and fruit juices at reasonable prices; and
  - (c) light food refreshments, e.g., sandwiches, snacks, etc.

5. That restaurant beer and wine licenses be granted only to restaurants of high standards, such licenses to be authority for the holders thereof to sell beer and wine by the glass with meals to adult patrons of both sexes. These licenses should be granted only to restaurant premises which have standards of floor space, kitchen facilities and appointments deemed suitable by the G.L.C. Commission.

6. That beverage room licenses be granted only to restaurants which hold restaurant beer and wine licenses, such licenses to be authority for the holders thereof to sell beer or wine by the glass without meals to adult patrons of both sexes, in a portion of the restaurant premises physically connected with the dining area and in which food is readily available to the patrons.

7. That dining room liquor licenses be granted only to first class hotel and restaurant dining rooms, such licenses to be authority for the holders thereof to sell beer, wine and spirituous liquors with meals to adult patrons of both sexes.

8. That cocktail room licenses be granted only to hotel and restaurant dining rooms which already hold dining room liquor licenses, such licenses to be authority for the holders thereof to sell beer, wine and spirituous liquors by the glass without meals to adult patrons of both sexes in a portion of the hotel or restaurant premises physically connected with the dining area and in which food is readily available to the patrons.



9. That cabaret licenses be granted to establishments which, in addition to supplying full course meals to their patrons, also provide some form of "live" entertainment, such licenses to be authority for the holders thereof to sell beer, wine and spirituous liquors by the glass with or without meals to adult patrons of both sexes.

10. In hotels holding restaurant beer and wine licenses and/or dining room liquor licenses, that the G.L.C. Commission be given the discretion to license beverage rooms and cocktail rooms in rooms separate and apart from the restaurant or dining room areas; but that in no case should any beverage room or cocktail room whether in a restaurant or hotel have a separate street entrance thereto.

11. That minors be prohibited from entering beverage rooms and cocktail rooms but that they be allowed to enter premisses holding a restaurant beer and wine license or a dining room liquor license so long as they are not permitted to purchase or consume liquor therein.

12. That in a community where there is a legitimate need for a hotel, the hotel be given a preference in the grant of a beer parlor and/or a beverage room license.

13. That in any community where a beer parlor may be required and a hotel not required, the G.L.C. Commission be empowered to establish a beer parlor in premises separate and apart from a hotel, such beer parlor to be controlled and operated by the G.L.C. Commission or leased to private interests for operation.

14. That there should be a rated maximum seating capacity for each licensed premise of the aforementioned types of on-premise outlets and that it be the duty of the staff of the Chief Inspector to ensure that licensed premises do not exceed their rated capacity except on special occasions with the written approval of the G.L.C. Commission.

15. That in every community where there is a reasonable demand for on-premise outlets the G.L.C. Commission show a preference for the issuance of beverage room licenses rather than beer parlor licenses.

16. That the numbers of the foregoing new types of on-premise licenses to be granted be left to the discretion of the Commission. It is suggested, however, that until the need is adequately determined, the numbers of such licenses be restricted.

## **Hours of Sales:**

### **Terms of Reference Instruction 9 (1) (c)**

We recommend:

1. That the hours of sale for existing outlets and new types of outlets be as follows:

- (a) Government Liquor stores—hours of sale to be set by regulation of the G.L.C. Commission.
- (b) Beer parlor licenses—10 a.m. to 10 p.m., with one hour closing at the supper period.
- (c) Hotel beer vendor licenses—10 a.m. to 10 p.m.

(d) Brewery cash and carry store licenses—10 a.m. to 10 p.m.

(e) Restaurant beer and wine licenses—12 noon to midnight.

(f) Beverage room licenses—12 noon to 10 p.m.

(g) Dining Room Liquor Licenses:

Beer and wine—12 noon to midnight

Spirituuous liquors—5 p.m. to midnight.

(h) Cocktail room licenses—5 p.m. to 10 p.m.

(i) Cabaret licenses—5 p.m. to midnight.

(See Reservations)

2. The Enquiry Commission considered at length the question of the sale of liquor with meals on Sundays in premises holding restaurant beer and wine licenses and dining room liquor licenses, but was unable to agree.

(See Observations)

3. That beer parlors be required to close for at least one hour during the supper period, the exact hour to be determined by the G.L.C. Commission having regard to local conditions.

4. That all licensed premises observe the time in effect in the local areas in which they are situated.

5. That no sales of liquor be allowed in licensed premises after the closing hour, and that beer parlors, beverage rooms and cocktail rooms be cleared of all patrons within 15 minutes after the closing hour.

6. That, should demand warrant, the G.L.C. Commission keep open until 2 a.m. daily at least one and not more than two liquor stores in the City of Winnipeg.

## **Local Option:**

Terms of Reference Instruction 9(1) (d)

We recommend:

1. That local option as a principle be maintained under any new legislation and that the same general details of procedure presently prescribed be continued.

2. That for purposes of local option votes, a local option area be defined as any city, town, village or rural municipality.

3. That the law provide only permissive power for the establishment of any new type of on-premise outlet, and that no such outlet be permitted in any local option area unless and until a majority of the electors therein have approved of its establishment by local option vote.

4. That a petition to initiate a local option vote on one or more of the new types of on-premise outlets require, as in the present Act, the signatures of not less than 20 per cent of the resident electors of the local option area; with the exception that, during the first year in which the new licenses are permitted, the council of a city, town, village or rural municipality may, where it appears expedient, initiate a vote on a local option by-law by a majority vote of the members thereof.

5. That during the first year in which the new types of on-premise licenses are permitted, local option votes may be held at any time; but that thereafter, the voting on local option by-laws and by-laws to repeal local option by-laws be held at the same time as the voting at annual municipal elections.

6. That, if a local option by-law on any one or more of the new types of licenses have been submitted to the electors in a local option area, no subsequent petition for the submission of a local option by-law or a by-law to repeal a local option by-law respecting the same type or types of licenses shall be received at any time prior to the expiration of 3 years thereafter.

7. That no local option by-law be required for the establishment of Government liquor stores but that the Commission operate stores only in local option areas which have voted affirmatively for the establishment of one or more of the permitted types of on-premise licenses.

8. That no on-premise licenses be issued for premises situated in National, Provincial, Municipal or private parks or recreational grounds without the prior approval of the authorities having control over such areas.

9. That there be a separate question submitted on each of the proposed types of on-premise outlets and that a local option by-law may contain one or more of such questions. It should be noted that no beverage room licenses may be granted as a result of a local option vote thereon unless a restaurant beer and wine license is or has been granted to the premises. Similarly no cocktail room licenses may be granted as a result of local option vote unless a dining room liquor license has been approved.

### **Club Licenses:**

Terms of Reference Instruction 9 (1) (e).

We recommend:

1. That the granting of club licenses be continued provided that no such license may be granted in any local option area which has, by local option vote, forbidden the establishment of all types of on-premise outlets therein.

2. That the following licenses be available to clubs:

- (a) Restaurant Beer and Wine license;
- (b) Beverage Room license;
- (c) Dining room liquor license;
- (d) Cocktail room license.

3. That the granting of the aforementioned types of licenses to clubs be subject;

- (a) to the same general requirements as apply to the granting of such licenses to commercial premises, with the exception that clubs which do not have dining facilities be permitted to hold beverage room licenses; and
- (b) to such regulations concerning clubs as are promulgated by the G.L.C. Commission.

4. That, in order to qualify for a dining room liquor license, a club be required to have in operation on its premises a kitchen and dining room adequate to serve its membership.

5. That the number of club licenses to be issued in any local option area be left to the discretion of the G.L.C. Commission.

6. That the number of guests permitted at any time in a licensed club be restricted, as in the present Act, to 10% of the total membership thereof; and that wives of club members be accorded the status of associate members of their husbands' clubs and as such be not subject to the guest restriction rule.

7. That military messes (officers' and senior N.C.O.'s) be granted mess licenses which will be authority for the sale of beer, wine and spirituous liquors by the glass in the premises covered by the said license; and that military canteens (corporals and other ranks) be granted canteen licenses which will be authority for the sale of beer and wine by the glass in the premises covered by the said license; and that, as at present, the hours and days of sale in such messes and canteens be left to the discretion of the senior officer in charge in each of the services in Manitoba.

## **Enforcement:**

### **Terms of Reference Instruction 9 (3) (a)**

We recommend:

1. That although the abolition of the permit system will somewhat lessen the effectiveness of interdiction, the process be continued as a deterrent to illegal or excessive drinking; and that the process of interdiction be applicable to all chronic and excessive drinkers whether their estate, health, and family life be affected or not.

2. That the inspectorial staff of the G.L.C. Commission make effective inspection of all premises to which occasional permits are granted but most particularly of premises in which commercialism or drinking by minors may be suspected.

3. That, with the abolition of the general permit system, the present "residence" requirement be abolished and in substitution therefor it be provided that liquor purchased for off-premise consumption may be had, kept, and consumed in **any** bona fide residence. The term "residence" should be defined generally as in the present Act and expanded to include the lands appurtenant to any dwelling which are essential or appropriate for the convenient use, occupation and enjoyment thereof as a private dwelling.

4. That it be made lawful to transport or carry liquor in a motor vehicle in the following manner:

(1) If the Government seal is intact, on the package, the liquor may be carried in any part of the vehicle; and

(2) If the Government seal is not intact on the package, the liquor may be carried only in the personal luggage of any of the occupants of the vehicle or in any locked compartment in the said vehicle.

Pursuant to this recommendation, it will be necessary to repeal s. 92 of the Highway Traffic Act, Chapter 112, Revised Statutes of Manitoba 1954.

5. That the prohibition and penalty sections of the present Act be reviewed by the Attorney-General's Department and revised where necessary to achieve consistency with all changes embodied in the new legislation. Particular attention should be directed to the penalties provided for illegal sale (bootlegging) to ascertain whether, if adequately enforced, they would achieve effective control. Duplicate prohibitory sections should be avoided and penalties provided for the same or similar offences should be made uniform.

6. That the principle of immediate payment of fines be continued except that a convicting magistrate be permitted, at his discretion, to modify this rule to allow time for payment of fines in cases where immediate payment would work undue hardship.

7. That since the undue harshness and rigidity of Section 110 of the present Act causes the G.L.C. Commission and enforcement officers to hesitate to prefer charges against licensees for minor infractions, said section be repealed and the G.L.C. Commission be given the discretionary power to suspend or cancel licenses following convictions against licensees.

8. That Section 309 which makes it compellable that a man arrested for intoxication state upon oath the source from which he obtained the liquor causing his intoxication, be repealed, in concurrence with the recommendation of the Select Special Committee of the Legislature.

9. That while no evidence of abuse was presented to this Commission, the G.L.C. Commission investigate the sale of intoxicating mixtures such as pharmaceutical tonics, flavoring extracts, shaving lotions, etc., through retail outlets to determine whether these mixtures are being sold and used as alcoholic beverages within the meaning of the Act. If the investigation reveals that any of these mixtures are being sold as alcoholic beverages, such mixtures should then be declared "liquor" within the meaning of any new legislation and proper controls placed over their sale.

10. That it be made lawful for any adult person in Manitoba to have, keep and consume in the Province the one quart and no more of American liquor which a Canadian visitor returning from the United States is allowed by the Customs Act to bring into Canada.

11. That all law enforcement agencies cause periodic and thorough inspections to be made of any unlicensed premises where it is suspected that the illegal consumption of liquor is taking place.

12. That a penalty be provided for the illegal possession or consumption of liquor by minors.

13. That the Government insist upon the strict enforcement of all provisions of an Act which can be respected and observed by all reasonable citizens. For the purpose of enforcement, the Commission shall have at all times a capable and adequate staff of well paid, carefully selected and trained inspectors who are committed to the full enforcement of the law. This staff must receive the complete co-operation of all police and enforcement bodies. The co-ordination of the activities of the Commission's inspectorial staff with those of other enforcement bodies should be such as to insure the strictest enforcement of the law in all municipalities. If laxity appears in the attitude of municipal police or Royal Canadian Mounted Police toward liquor infractions in areas under their jurisdiction, the Commission must direct its own inspectorial staff to see that the law be uniformly enforced.

### **Alcohol Education :**

#### **Terms of Reference Instruction 9 (3) (b)**

We recommend:

1. That a vigorous educational campaign concerning alcoholism and other effects of alcohol be undertaken by the government, and that such education be directed to encourage abstinence for minors and discourage excess by others.

2. That instruction concerning alcohol continue to be integrated in the public and high school courses rather than taught as a separate subject, and this material be subject to examination each school year.

3. That public and high school teachers be trained at Normal School and in the Faculty of Education in this subject as well as in the techniques of alcohol education; and that the present excellent Manual of Alcohol Studies for Schools be used as a basis for this study.

4. That a Director of Alcohol Education be appointed for the Province and that he be given power to co-ordinate alcohol education at all levels, i.e., public and high school, University, Normal School and adult education outside these institutions.

5. That the services of outside organizations such as the Manitoba Temperance Alliance and the Committee on Alcoholism and such related organizations be drawn upon for co-operation to the fullest extent that is feasible. It is suggested that, because of the value of the work, the Manitoba Temperance Alliance continue to receive government grants for their support.

### **Tied Houses:**

#### **Terms of Reference Instruction 9 (3) (c)**

We find that tied houses within the legally accepted meaning of that term do not presently exist in Manitoba, i.e., brewery owned and controlled hotels are not under written covenant to sell in their beer parlors only the beer manufactured by their parent brewery. We find, however, that direct ownership of hotels by brew-

eries and varying financial relationships between hotels and breweries have become quite common in the Province, since the passage of the 1928 Act, and that such arrangements usually result in monopoly for the interested breweries of all draught beer sales and favored position in bottled beer sales. We believe that this situation is contrary to the public interest. We, therefore, recommend that in future, breweries, distilleries and wineries be forbidden from having any financial relationship whatsoever in any new licensed premises; and that no enlargements of any existing loans or capitalization by such breweries in respect of licensed premises be permitted.

## **Advertising:**

### **Terms of Reference Instruction 9 (3) (d)**

We recommend:

1. That no advertising of liquor be permitted under any new legislation except such signs on brewery, distillery, or winery premises or on licensed premises as may be permitted by the G.L.C. Commission.
2. That institutional advertising by manufacturers or vendors of liquor be not permitted.
3. That the provincial government undertake a broad program of education concerning alcohol and related problems; and that, in view of the inequity placed upon local publishers by the denial of liquor advertising, the government utilize local newspapers and magazines in this undertaking and pay them for this service.
4. That the Province of Manitoba ask the Dominion Government to convene a conference of all provinces with a view to the establishing of a national code of liquor advertising for the purpose of encouraging uniform restriction throughout Canada.
5. That the discrimination against weekly newspapers brought about by the present requirement in Section 72 (1) (d) for advertisements of applications for beer licenses be abolished by removing the word "daily" from the requirement that such advertisements be carried "in a daily newspaper . . .".

## **Rehabilitation of Problem Drinkers and Alcoholics:**

### **Terms of Reference Instruction 9 (3) (f)**

We recommend:

1. That the Government of Manitoba should officially recognize the need for a Provincial program for the prevention, treatment and rehabilitation of alcoholics and stand prepared to assist financially in the carrying out of such program to 80 per cent of its cost, the balance to be obtained by voluntary contribution.
2. That the Minister of Health and Public Welfare should be charged with the responsibility of initiating and developing the program and with the administration of government funds.
3. That the Minister of Health and Public Welfare should create an independent organization to be known as the "Alcohol Research and Rehabilitation

Foundation of Manitoba," this organization to be charged with carrying out a complete program to the satisfaction of the Minister.

A. That the Foundation should be governed by a Board of twenty-five persons as representative as possible of the main interests in the Province, to be chosen as follows:

- (1) Ten persons to be appointed by the Minister from the Public at large.
- (2) Ten persons to be appointed by the Minister from social welfare agencies in the Province.
- (3) The Deputy Minister of Health and Public Welfare.
- (4) The Provincial Psychiatrist or a person nominated by him.
- (5) A representative of the Manitoba Hospital Association.
- (6) A representative of the Manitoba Medical Association.
- (7) Representatives of the clergy.

B. That the Board of the Foundation should have a medical advisory committee composed of five members of the medical profession appointed by the Minister.

C. That the Foundation should be charged specifically with the following responsibilities:

- (1) To provide adequate facilities and services for the treatment and rehabilitation of alcoholics through its own or existing agencies.
- (2) To provide adequate counselling and follow-up services through such facilities as exist or may be established.
- (3) To provide educational material for adult education on alcoholism in Manitoba.
- (4) To initiate and sponsor research in the fields of prevention, treatment and rehabilitation of alcoholics.
- (5) To co-ordinate as far as possible the efforts of all agencies, private and public, which by their activities may contribute to the furtherance of the Provincial program.
- (6) To make a detailed report yearly to the Minister of Health and Public Welfare regarding its activities and disbursement of funds.

FURTHER MATTERS CONSIDERED BY THE COMMISSION UNDER TERMS OF  
REFERENCE INSTRUCTION 9 (4)

### **Government Manufacture of Beer, Wine and Spirituous Liquors**

We recommend:

1. That Section 17 of the present Act permitting the Government to acquire and operate a brewery or distillery be retained in any future legislation. It is not considered either necessary or advisable at the present time, however, for the Government to embark upon the manufacture of beer, wine or spirituous liquors since all necessary controls can be exerted without recourse to this action.



## **Traffic Accidents**

We recommend:

1. That the provincial penalties of drivers' license suspension and motor vehicle impoundment consequent upon convictions for driving while impaired or while intoxicated be reviewed to determine their adequacy.

2. That the Government continue to encourage the excellent educational work carried on by the Traffic Safety Division, with its emphasis on the danger of drinking drivers and the necessity of preventing the present heavy highway death toll; and that the Division be further urged to keep informed of techniques of highway safety education developed elsewhere, especially as they concern the problem of the drinking drivers; and that consideration be given by the Safety Division to the policy recently adopted by the Ontario Government of endorsing reinstated licenses in red or another color on reinstatement.

3. That the Provincial Government prepare a submission to the Minister of Justice requesting that, where suspicion of drinking is involved, persons in charge of motor vehicles be required to submit themselves to some accepted form of scientific test to determine the alcohol content of the blood.

## **Beer in Grocery Stores:**

We recommend:

1. That, in view of the adequacy of the present outlets for the off-sale of beer, the proposal for the sale of beer by grocery stores be not approved. (See Reservations.)

## **Liquor on Trains:**

We recommend:

1. That, subject to the condition that the licenses hereinafter mentioned are permitted by local option vote in the City of Winnipeg, all passenger trains, other than local trains operating solely within the Province, be permitted to have the following types of on-sale licenses:

1. Restaurant Beer and Wine license;
2. Dining Room license; and
3. Cocktail Room license.

2. That the request by Trans-Canada Airlines for permission to serve liquor by the glass on scheduled passenger flights be not granted.

## **Use of Liquor by Indians:**

Testimony was offered to us that Indians illegally consume liquor and that such consumption is necessarily furtive and undesirable. Insufficient evidence was presented, however, to enable this Commission to determine what the results would be if Indians were granted full drinking privileges. It is necessary, therefore, to act upon the broad principle that Indians should be regarded as any other section of the population. Accordingly, we recommend that Indians in Manitoba be legally

permitted to enter licensed premises and to purchase and consume liquor therein and that they be allowed to purchase liquor for off-premise consumption in a residence other than where prohibited by Federal law. The rights thus extended should be granted only on a two year trial basis, at the end of which time the matter should be reconsidered and such action taken as experience and circumstances warrant.

### **Control and Sale of Alcoholic Beverages to Minors:**

We recommend:

1. That for the purposes of liquor legislation a minor continue to be defined as any person under 21 years of age. (See Observations.)
2. Other recommendations affecting minors will be found in the sections on Method of Sale, On-Premise Outlets and Enforcement.

### **Five Cent Charge (Tax) on Outside Beers:**

1. Having reviewed the circumstances in connection with this charge as set forth in the findings, we recommend that there be no change in the present practice of charging an additional five cents per bottle for extra-provincial beers.

### **Beer Parlors:**

We recommend:

1. That beer parlors be required to observe the same health and sanitation standards as are required of licensed restaurants.
2. That it be made mandatory that representative brands of bottled beer from all breweries operating in Manitoba be available for purchase in all licensed beer parlors except where a brewery does not wish its beer to be carried by particular beer parlors.
3. That not more than one bottle or two glasses of beer be served or available at one time to one customer in any on-premise outlet and that no further sales or service by gifts or otherwise be made to such customer until the beer already served him is consumed.
4. That, subject to the requirements of municipal by-laws, radios, television sets, record players and vending machines be permitted in any licensed on-premise outlet.
5. That, as at present, the right of the G.L.C. Commission to determine the retail price of beer sold in beer parlors, be continued.
6. That, in order to prevent the occasional practice of selling "short" glasses of draught beer, all draught beer be sold in glasses having a "tide line" mark thereon designating the level to which the beer must be drawn.
7. That the Commission formulate and enforce a code of ethics for beer parlor licensees and that it seek the co-operation of the licensees for the better observance of the liquor laws in their premises. (See Reservations)

## Beer Vendors:

We recommend:

1. That it be made mandatory that representative brands of bottled beer from all breweries operating in Manitoba be available for purchase in all hotel beer vendor outlets except where a brewery does not wish its beer to be carried by particular beer vendors.

2. That such beer vendor licensees in the City of Winnipeg as are considered suitable by the G.L.C. Commission be granted the privilege of selling beer to the general public for off-premise consumption as is now permitted to beer vendor licensees outside the City of Winnipeg.

## Transportation:

We recommend:

1. That, in concurrence with the submission of the Manitoba Trucking Association, properly licensed public service vehicle transport carriers be recognized as "common carriers" for the purpose of being eligible to transport beer, wine and spirituous liquors for the G.L.C. Commission.

All of which is respectfully submitted.

(signed) Chairman JOHN BRACKEN

H. J. RILEY

JEAN L. WHITEFORD

C. A. McCRAE

PAUL L'HEUREUX, M.D.

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## RESERVATIONS AND OBSERVATIONS BY MR. BRACKEN

### Reservation

#### Regarding Recommendation 2, Method of Sale.

I am of the view that, having regard to the vastly increased responsibilities and the greatly increased volume of business of the Government Liquor Control Commission (now ten times the dollar volume that it was thirty years ago), it would be a mistake to have two part-time Deputy Commissioners, rather than two full-time officials of that designation. Having two full-time Deputy Commissioners would in my view greatly increase the strength and value of the Commission without much increase in cost and it would to some degree lessen the number of the more important permanent officials.

From my experience, part time officials are worth much less to an organization than the relation their salaries bears to the salaries of full time officials. Besides there is great need for strengthening the Commission, aside from the fact that the result may be economy in number or cost of other administrative officials.

## **Reservation**

### **Regarding Recommendation 3, Method of Sale**

I am in agreement with the recommendation that the Licensing Board should be continued as at present with four members plus the Chairman of the Liquor Control Commission. I am not in agreement that it should consist of three members of the Liquor Commission and two others.

The original purpose of the Licensing Board was that it should be as widely representative as possible and not narrowly partisan; that it should be comprised of highly regarded men of standing who would serve not for the small allowance they now receive, but as a matter of public service; and more particularly it was meant to be a reasonably independent group of sufficient size not to be dominated by the Commission and representative enough that the public would have confidence in it and feel that its decisions would not be of a partisan or sectional character. I am of the view that the Licensing Board should consist as now of four members plus the Chairman of the Liquor Control Commission.

## **Reservation**

### **Regarding Recommendation 2, On-Premise Sale of Liquor**

This recommendation provides that a local option vote may be taken in any local option area or any type of liquor license, no matter how small such local option area may be in size or population. It is my view that this may invite quite unnecessary controversy and concern in many small areas, some of which would not support a distilled spirits outlet by majority decision; some would be too small to make such an outlet economically worthwhile but more particularly, some small presently "wet" areas within larger "dry" municipalities might bring in a distilled spirits outlet contrary to the wishes of the larger area within which it is contained. I am of the view that any size of local option unit might be permitted to vote on beer and wine outlets, but that only the larger local option unit should be given legal power to vote on distilled spirits outlets. A population figure of 3,000 has been mentioned, but the exact dividing line, if any, could be well left to the Legislature to decide.

## **Observation**

### **Regarding Recommendation 3, On-Premise Sale of Liquor**

In my opinion this definition of wine is not sufficiently clear to the layman. When the ordinary man thinks of wine he does not distinguish between wine in the technical sense and "fortified" wine, the latter being wine, or natural wine to which spirits have been added, thereby increasing its alcohol content. The word "wine" as used in this definition is meant to exclude all "fortified" wines.

## **Observation**

### **Regarding Recommendation 2, Hours of Sale**

The Commission gave long and serious consideration to the question of the sale of liquor on Sundays. There were two quite opposing views, both honestly and sincerely held; one strongly supported by two members, and the second equally as firmly held by two others. If there was to be a majority decision it thus rested upon

the Chairman to make it. I felt, when four Manitoba members of the Commission were equally divided on the question, that a subject so important to large sections of the public ought not to be decided by the vote of a single person. Such a decision seemed all the more important because the question involves not only the matter of hours or days of drinking, but the much larger social question of how the Sabbath shall be observed. From the physiological point of view the human body is harmed no more by drinking on Sunday, than by drinking on Monday. But since half the population or more may not wish to see public drinking on Sunday, and particularly as liquor is now legally found in two-thirds of the homes in the Province, the problem becomes one for decision by a larger group than one or five. I, therefore, think it a proper subject for the much more widely representative group of the Legislature to determine, than for five individuals to do so.

### **Observation**

#### **Regarding Recommendation 1—Control and Sale of Alcoholic Beverages to Minors**

There are widely divergent views all over the world as to what the legal age of minors should be in relation to the purchase and consumption of liquor. The United Kingdom once had it as low as 14 years of age and even in Manitoba at one time in its early history this age limit for liquor sales to minors was in effect. A more ancient authority, Plato, was of the view that it should be 30. Ordinarily now in most countries it varies between 18 and 21 years.

Two members of the Commission were of the view that it should be reduced to 18 years in Manitoba, two others were of the view that it should not be altered from 21 years as at present.

I suggested a compromise at 20, but since this was not acceptable to any two of the other Commissioners, I was of the view that it should either remain as it is or await the considered judgment of a more widely representative body, namely the Legislature of Manitoba.

(Signed) JOHN BRACKEN, Chairman.

#### **RESERVATIONS BY MAJ.-GEN. H. J. RILEY**

The recommendations presented which reduce controls and which I have signed, are the result of much discussion and some agreement. Many details I would alter if I could but there are one or two recommendations with which I cannot concur.

The consumption of alcoholic beverages in recreational clubs on Sunday has become an accepted habit here and elsewhere. In Canada, when illegal, the law is not enforced.

The lack of provision for such consumption and the restricted hours for sale of spirits on other days will be resented by a large number of ordinarily law-abiding citizens and will provoke non-observance and discourage enforcement. A local option vote in areas in which the majority are unfavorable can bar any of the sug-

gested licenses. The dining room license should have the same hours as the restaurant license, and both should extend to Sunday, possibly reserving in each case to the Liquor Control Commission and the Municipality the right to reduce the hours when necessary or advisable.

Manitoba should expect education to equip the normal person with the knowledge necessary for adequate behaviour and where the requirements of society permit, leave to them the responsibility for the development of controlled habits. This responsibility should be assumed as early as reasonably possible and the age for minors should be reduced. New York State, after an extensive survey, adopted eighteen. Their reasons appear sound and they have not changed their views.

Unless such amendments to the recommendations are accepted the Act will not have the general support it needs and the Liquor Control Commission will be unable or unwilling to enforce it, and the present lack of respect for law will continue.

(Signed) H. J. RILEY.

## OBSERVATIONS BY MRS. WHITEFORD REGARDING SUNDAY SALES

### Regarding Recommendation 2, Hours of Sale

The Commission having reached no unanimous decision re Sunday sales, I hereby make my position clear.

I am opposed to Sunday sales of Liquor.

1. There was no concerted demand for this privilege in the Briefs presented.
2. Sunday sales were not allowed in five of the seven States which we visited.
3. Sunday sales are not allowed except in two Provinces of the Dominion, namely, Quebec and Newfoundland.
4. While clubs may not now be observing the law, I consider this insufficient ground for legalizing Sunday sales.
5. Traffic is heavy over week-ends. Sunday sales could contribute to greater hazards.
6. Should liquor be permitted with meals on Sunday, the seller could be under pressure to supply liquor other than with meals.

(Signed) JEAN L. WHITEFORD.

## OBSERVATIONS BY MR. C. A. McCRAE REGARDING SUNDAY SALES

### Regarding Recommendation 2, Hours of Sale

I am opposed to the sale of liquor on Sundays. As the Commission is unable to reach agreement on the question, I therefore wish, as a member of this Commission, to make my position clear.

My reasons for being opposed to Sunday sales are as follows:

1. There has been no concerted demand for sale of liquor on Sunday in Manitoba.
2. Our neighboring Provinces of Ontario and Saskatchewan do not permit Sunday sales; in fact, only two provinces in the Dominion do allow sales on Sunday—Quebec and Newfoundland.

In submissions presented to the Commission no specific requests were received for Sunday sales except from certain clubs. Because some clubs may be violating the law is not sufficient reason to legalize Sunday sales.

The Royal Commission on licensing in England after hearing from clubs for broader permitted hours stated that clubs ought to comply with the permitted hours obtaining locally. In other words, clubs should not be granted special privileges.

Statistics show that the traffic accident rate is 35% higher on Saturdays and Sundays than on the average of other days and it is my feeling that Sunday sales of alcoholic beverages tend to further increase the accident rate.

(signed) C. A. McCRAE

## RESERVATIONS AND OBSERVATIONS BY DR. L'HEUREUX

### Local Option:

While favoring the principle of local option together with the other members, I differ in my opinion as to its application.

The members wish the community to choose the types of outlets which it desires, while **I would recommend that the option be to decide only the choice of having or not having the sale of alcoholic beverages legalized for such a community.** The selection of the types of outlets would be left to the Government Liquor Control Board.

### Beer in Grocery Stores:

**I would recommend that beer and natural wines be available in grocery stores.** This, I feel, is an important part of a long term educational program to change the drinking habits of our people.

I would further recommend that beer be made available in lower alcohol concentration, declared a non-alcoholic beverage and sold at a reduced price. This would provide a strong incentive for new drinkers to change their tastes to this new beverage which presumably would lead to less abuse.

### Beer Parlors:

Beer parlors have little to commend them in my consideration, nor can they be justified by any of the above mentioned principles or facts.

They are antisocial in their segregation of the sexes; they do not promote temperance but encourage drinking because they are set up exclusively for drinking purposes; they do not educate nor have they any of the family or club atmosphere; they do not promote the high social, cultural and moral standard so necessary to the formation of an adequate public conscience. They have been condemned by practically everyone except those who reap the huge profits from the enormous quantities of beer which are continuously consumed in such places by persons who in large measure cannot reasonably afford this expenditure. In many cases they have been proven to be a place where beer sales are pushed as fast as possible to the exclusion of every other consideration and even to a disregard of elementary hygiene and sanitation.

These practices cannot be condoned and perpetuated by a Government which is truly interested in the welfare of its people and the raising of social and cultural standards.

**I would therefore recommend that no further beer parlor licenses be issued.**

It is perhaps impractical and even impossible to close the existing parlors, but it should not be too idealistic to hope that with time, long patience, continued education and the substitution of more desirable institutions, the citizens of Manitoba would themselves pass final judgment and sentence upon these nefarious outlets and condemn them to oblivion.

### **Cocktail Lounges:**

The cocktail lounge or bar as a separate outlet designed for the sale of liquors only, is also condemned, as it cannot be justified by any of the foregoing principles or facts.

**I would recommend that a cocktail lounge license be issued only in those rare instances where it is judged necessary by the Liquor Control Board to avoid congestion in a public dining room of a large metropolitan hotel. Such a license should be issued to premises which form part of or at least are situated within sight of the dining area in order to preserve at least the theoretical association of liquors as an accompaniment of food.**

### **Conclusion:**

Finally, I would reiterate that the most important feature of our liquor control legislation should be that each and every portion of it is designed to educate, to teach, to guide and to lead our people to a more civilized, more cultured and more moral way of life.

No one more than the Legislator has this grave responsibility of planning now, by action, precept and example, the eventual moral, social and cultural make-up of our country!

(signed) PAUL L'HEUREUX, M.D.



## FURTHER RECOMMENDATIONS

November 1, 1955

We recommend:

1. That prices for distilled spirits and wine to licensees with the new types of licence should be the same as liquor store retail prices to individuals, and that the prices charged to them for beer be the same as to beer parlors.

2. That recommendation 1 (h) already made under "Hours of Sale" be made to read as follows:

Cocktail room licenses—

Beer and wine—12 noon to 10:00 p.m.

Distilled spirits—5:00 p.m. to 10:00 p.m.

3. That the Restaurant Beer and Wine and Dining Room Liquor licenses must be operated in such a manner that the sale of liquor shall be incidental to and not the prime source of revenue of such premises; and that the revenue from a Cocktail room license shall be so limited that the combined revenue of Dining Room Liquor license and Cocktail room license shall not be the main source of revenue from the combined premises.

4. That the recommendation already made regarding tied houses be amended by adding the following:

"provided, however, that increased loans or further capitalization for hotels in which a brewery is interested may be made for the purpose of financing improvements to the existing outlet or improving or providing premises for outlets under new licenses if the Liquor Commission considers the same to be in the public interest and for that reason gives its approval."

The Commission does not regard this recommendation as amended as being in violation of the principle involved in the recommendation as originally made. Rather the amendment takes cognizance of existing financial relationships and enables the licensee merely to maintain and improve premises and adapt them to new licenses in such ways as are in the public interest.

5. That provision be made in any new legislation for the licensing and control by the Commission of Brewery Products Ltd. or any like organization created for the purpose of warehousing and distributing beer; and that such new legislation be more definite in its reference to the types of off-sale outlets which may be operated by Provincial breweries.

6. That the G.L.C. Commission be authorized and directed to establish a quota system for the distribution of beer supplies to different outlets, if and when such procedure shall be deemed advisable for the protection of the interests of one or more breweries.

7. In view of the discrimination existing between the price of beer at \$5.00 per 2 dozen carton when purchased from hotel vendors, and the price of \$4.50 per carton when purchased from Government Liquor stores or direct from breweries, we recommend that these prices be equalized, by:

(a) reducing the price charged by hotel vendors to \$4.50, or

- (b) increasing the price charged by the Government Liquor stores or direct from breweries to \$5.00, or
- (c) equalizing both prices at \$4.75 per carton.

There was a lack of unanimity amongst the members of the Commission as to which of these suggested methods should be adopted.

Two members of the Commission, including the Chairman, felt that since the \$5.00 price would still be eight cents per bottle less than that charged in beer parlors, and would be no higher than the average price now being charged in other western Provinces, this plan of equalization deserves support. The additional revenue derived from this plan of equalization would accrue to the G.L.C. Commission.

8. We recommend that Section 100 of the Government Liquor Control Act be amended so that the practice of closing the blinds of beer parlors during their permitted hours be forbidden. The Section of the Act might read as follows:

Every beer parlor shall be so constructed and equipped with windows as to permit, and shall be maintained as to permit, an unobstructed view from the street or thoroughfare level of the interior thereof at all times.

9. Information available to this Commission indicated that the Manitoba breweries were receiving a higher price for their products than was received by breweries operating in some other provinces. On being apprised of this fact the G.L.C. Commission was able to negotiate a new price with the breweries—the consequence being an increase in annual profit to the G.L.C. Commission of some \$300,000.00.

The question immediately arises: Is the new price a proper one? This Commission feels that this question can be answered only by some person or persons making a thorough investigation at which all interested parties can be heard. The Commission felt that the Terms of Reference did not give us that power. We, therefore, recommend that the G.L.C. Commission should inform itself fully in regard to all facts relating to the price of beer paid to breweries both here and elsewhere in Canada. Many of these facts are available in the material gathered by this Commission. More may be necessary. The G.L.C. Commission should provide itself with personnel able to gather all information necessary and to use such information in negotiation with the breweries.

10. While it is not the unanimous view, the majority of this Commission is also of the opinion that the final decision on price should not be made by the breweries and the G.L.C. Commission as it has been in the past, but rather that it should be reviewed annually by a Government appointed body competent to decide that the price is one which allows a reasonable return to the breweries and at the same time respects the interests of the Province. Where price agreement between the breweries and the G.L.C. Commission is possible, this price shall be submitted for approval together with all the facts supporting the agreement. If agreement is impossible, both breweries and the G.L.C. Commission should submit their cases to such Government tribunal, which shall thereupon determine the final price.

It is suggested that the proceedings of the above mentioned tribunal should be similar to those used in fixing rates for public service corporations. As this

field is a new one, it might be wise to appoint a special Prices Board of three persons whose knowledge and experience are adequate for the determination of these prices rather than to use the existing Municipal and Public Utility Board for this specialized task.

11. It is further suggested that this Board consider all graduated fees charged and mark-ups allowed to licensees when these are first established, and review them at any such time as request for review is made by any of those involved.

A minority of this Commission did not agree that the Board here proposed is necessary, but felt that such matters could be adequately dealt with by a competent G.L.C. Commission.

All of which is respectfully submitted.

Chairman JOHN BRACKEN

H. J. RILEY

PAUL L'HEUREUX

JEAN L. WHITEFORD

C. A. McCRAE

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## RESERVATIONS AND OBSERVATIONS BY MR. BRACKEN

### General Observations:

The Report goes to the Manitoba people with all humility. The Commission has done its best with a most controversial issue.

The principles which guided it in its work from the beginning will be found set out in Chapter XIV.

A personal contribution by the Chairman will also be found in that Chapter. It is not to be regarded as carrying any recommendations of the Commission.

The facts gathered by the Commission have come from many sources. Every suggestion for new or important information from whatever source has been complied with. No point of view was denied our attention.

The last Chapter, No. XXIX, has proved to be the most controversial one. The Millar Macdonald report on brewers is the statement of a responsible accounting firm. The facts presented are theirs and must speak for themselves.

The statements by three economists—one a consultant of this Commission and two from Eastern Universities—are their personal views. It is not to be implied that they express the views of the Commission or any member of it. They must be considered on their own merits.

The statements set out below with respect to Recommendation 10 express the majority view of the Commission.

### **Re Recommendation No. 8.**

This recommendation is a modification of the one already in the statute. It might express the idea intended quite as well if the following words were eliminated—"from a street or thoroughfare level."

### **Re Recommendation No. 11.**

This is but a suggestion. It appears here for the reason that when the Ontario proposals for a graduated license fee were under discussion, and for a period met with general approval, it became apparent that the net effect on licensees could not be determined with any precision. When it became apparent that no recommendation would be forthcoming from us with respect to license fees, it appeared that this procedure might enable the Government and the Legislature to act with more knowledge if either felt more knowledge to be necessary.

As to the mark-ups now allowed by the Liquor Commission—and additional ones that may be later provided for—both the Government and the Legislature are quite without knowledge of the net effect upon the licensees either as groups or as individuals. If it should be the desire of the Legislature to inform itself on these matters this procedure seemed to offer one means of securing it. The suggestion is not at all fundamental to the report as other means of getting at the facts could be provided if necessary.

### **Reservations and Observations Regarding Further Recommendation 4.**

This recommendation in its present form did not receive mature consideration by the full Commission, and after careful consideration of its implications, a majority does not approve of a part of it. My reservations are as follows:

I do not agree with one part of the proposed amendment, nor does a majority of the Commission. It is quite contrary to the principle of the main recommendation, particularly insofar as it refers to further loans by brewers to licensees. What it means is that there will be restored to the breweries the right to increase loans to 106 hotels and 27 clubs which already have loans from them. This is not only contrary to the principle of the main resolution but it gives to these particular hotels and clubs an advantage over other hotels and clubs in securing any of the new types of licenses. It would continue and increase in the province a type of brewery domination over liquor outlets not found to this degree in any part of this continent and not found in any degree in parts of it.

As for allowing breweries to increase capitalization for their own hotels for the purpose of financing improvements to the present beer outlets or improving or providing for Dining Room and Restaurant premises, which might be licensed, I would offer no objection to this providing it is made subject to approval by the Liquor Commission and so administered by them as not to violate the spirit of the main recommendation and not to give to this group of licensees more than its fair share of new licenses.

### **Reservations and Observations Regarding Further Recommendation 10.**

This Recommendation is the result of an attempt by the Commission to reach a degree of compromise on two different points of view. As sometimes happens in such cases, it does not succeed in expressing clearly either one of them.

The problem was simple enough—Manitoba, like all western provinces, was paying 20 to 25% more for beer than Ontario and Quebec. The problem is what to do as to the price to be paid to brewers for beer by the G.L.C. Commission in case of disagreement between them. At present the Liquor Act offers no help or guidance. The only alternative it gives is for the Government to confiscate the breweries or to build one for itself and public opinion shies away from both of these alternatives.

In essence there were three alternatives before us, and they are before the public today and will continue to be until the problem is solved, either:

- (1) let the situation remain as at present, neither party having the final say, neither side having recourse to appeal, and no third party having authority to referee—the result, a necessary compromise, generally a higher price, or
- (2) let the G.L.C. Commission have power to make the final decision as to price, or
- (3) let the G.L.C. Commission have power to fix a tentative price, the final decision to be made by the Municipal and Public Utility Board after hearing both sides in open sessions, as is now done with many other similar problems.

Since some of the facts presented earlier in this Chapter were left almost bare of comment, it is necessary here to summarize briefly the basic reasons for this Recommendation. It is only fair to the Government and the Legislature and the public that the basic approach be explained, however briefly, so that the merit of the Recommendation may be properly assessed by all three.

The best test of the value of any law is its consequences. The 1928 Liquor Act can now be judged by that standard. Some of its consequences can now be seen and examined and measured in the light of 27 years of experience. What are some of the consequences of the 1928 Liquor Act that have a bearing on this Recommendation? The public should know because the public bears the consequences and in the end will pronounce them either satisfactory or unsatisfactory.

I shall make my comments brief. They will deal with half a dozen observable facts and three following comments:

1. The brewers are not included in the price control features of the Liquor Control Act—every other licensee is.
2. Competition as a factor in determining beer prices to brewers has disappeared—and nothing has been provided in its place.
3. The price to brewers is a negotiated price—the G.L.C. Commission under the Act has no power to fix prices to brewers.
4. The negotiating position of the G.L.C. Commission is inadequate to the need—it enters the negotiating room handicapped by a weakness in the law.
5. No remedy has been provided for this lack of competition which permits these higher prices—the brewers have thus become the favoured beneficiaries of the law as it stands.
6. The weakness in the law can be remedied by the Legislature—it will have to decide whether the law is to become a Control law in fact with the privilege

of appeal to an impartial board or whether the brewers are to continue to be the favored children of the law at considerable unnecessary cost to the community.

7. What is at stake?
8. What should be done?
9. A specific suggestion.

**1. The brewers are not included in the price control features of the Liquor Control Act—every other licensee is.**

The Liquor Control Law is not a **Control** law insofar as prices of beer to breweries are concerned. That is a significant weakness of the Act which has become obvious during the last ten or twelve years. Insofar as prices to breweries are concerned the Liquor Act is not a **Control** act, it is a **brewery non-control** Act.

The Liquor Control Law empowers the Liquor Commission to fix all other prices of beer to everybody. It does not empower the Commission to fix the prices of beer to breweries. Nor does it provide any machinery for appeal in cases of dispute as to what the price should be.

**2. Competition as a factor in determining beer prices to brewers has disappeared—and nothing has been provided in its place.**

Price competition for Manitoba's beer requirements is non-existent. There is no competition here among local brewers for the Government's business. Manitoba is not unique in that. Other western provinces are in a similar position and their price problems are not dissimilar to ours.

There were once eight breweries in Manitoba. Before the days of Liquor "Control" they competed for business among licensees or they got no business. Today two breweries own most of the existing plants in Manitoba and they dominate the policy of all. They sell chiefly to only one buyer—the Government Liquor Control Commission. They not only do not compete with one another for the Government's business—they co-operate with one another in the matter of arriving at prices to charge the Government. They are not a combine in the legal sense, but they act as one in practical matters of price negotiations. And so, it might be added, would most of us in like circumstances. The point is that local competition as a determiner of prices is dead and buried.

Competition for the Government's beer business has thus not only disappeared within Manitoba—it has practically disappeared on the outside as well. The cost of freight is nearly twice the difference between eastern and western beer prices. It is impossible to buy eastern beer at eastern prices and pay freight on it, and deliver it in Manitoba except at a higher price than is being paid to Manitoba brewers.

What is the result? There are two results. The Liquor Commission in negotiating prices finds itself wholly unsupported by the Liquor Law under which it operates or by competition which once functioned to keep prices at a reasonable level.

In this connection Professor Bellan, in his report on "Control of Private Profit from Beer Sales in Manitoba" has this to say:

"The profits currently earned by Manitoba breweries and many hotels are unreasonably high in relation to the physical attributes of these properties, and services performed by owners. These profits are not merely appropriate returns on genuine investment, but gains accruing from the possession of monopolistic powers."

**3. The price to brewers is a negotiated price—the G.L.C. Commission under the Act has no power to fix it.**

The price has to be a negotiated price. The Liquor Control Act provides for no other. All the Commission can do if it does not like the price offered is

- (1) confiscate the breweries, or
- (2) build a brewery or breweries

(both of which are allowed in the Liquor Control Act).

As there is not sufficient public opinion to warrant either confiscation or building a brewery there is but little alternative to accepting brewery prices if they appear to be relatively in line with those in other western provinces. The result is that Manitoba is now paying from 20 to 25% more for Manitoba beer than Ontario or Quebec pay for their locally manufactured beer. One is led to wonder why, at the edge of the largest barley growing area in Canada, Winnipeg and St. Boniface brewers cannot manufacture and sell beer at a price comparable to Ontario prices. Our beer costs us over a million dollars a year more than if Eastern prices were in effect here.

**4. The negotiating position of the G.L.C. Commission is inadequate to the need—it enters the negotiating room handicapped by a weakness in the law.**

As may be seen from the special report on the Financial Growth of the Major Manitoba Breweries prepared by the accounting firm of Millar, Macdonald and Company:

1. The profits of the two leading Manitoba breweries increased in five years from \$606,000.00 per year (1945) to \$2,031,000.00 per year (1949)—the last year for which figures for the two were available.

2. They are reported to have made up to 25 and 30% on the book value of their investment in the early post-war years.

3. They are said to have made enough money between 1940 and 1954 to pay dividends and still put \$6,386,000.00 into hotels and loans to hotels.

4. On this total investment in hotels and loans which reached \$8,700,000.00 in 1954—the brewery owned hotels alone have an appraised value of \$13,100,000.00—on all this vast investment only meager earnings were secured—.87% in one case and 1.5% in the other.

5. One of these companies has been lending money to hotels and other licensees without any charge for interest.

6. Yet the present owners of these companies carry these large relatively unprofitable investments and still manage to make profits, said to be as follows in 1954:

- (1) on the basis of book value of 17.2% and 17.6%, and
- (2) on the basis of book value plus funded debt of 13.7% and 11.9%.

Since only a fraction of the book value represented actual brewery plant—while practically all the profit came from brewery operations—it is likely that the rate of profit on beer production has been, perhaps, two or three times any of the above rates of profit.

**5. Nor has any remedy been provided for this lack of competition which permits these higher prices—the brewers have thus become the favoured beneficiaries of the law as it stands.**

No new brewers have offered to come in—the local ones have pretty well cornered the market with their brewery owned hotels and generous loaning policy to licensees. No one offers to reduce the freight from the east. The legislation gives the Liquor Commission no power to fix prices or to compel delivery. The Commission goes into the negotiating room naked of bargaining strength. It has its arguments but no power to enforce them and no appeal to an impartial body. It is even naked of any statutory instructions as to the basis on which it is to negotiate. It is little wonder it gets the worst of the deal.

These statements are not to be interpreted as an attack on brewers. So far as we know they are honorable men who have done nothing illegal. They are businessmen out to make profits as other men are.

The attack is not upon them. It is upon that feature of the law which made these results possible.

The law as written permitted these consequences. The law as it can be changed can prevent them in future. It can lessen the cost of beer to the Commission and thus bring added gains to the coffers of the state to lessen the burden of taxation and help pay for the many public services needed by the people.

**6. The weakness in the law can be remedied by the Legislature—it will have to decide whether the law is to become a Control law in fact with the privilege of appeal to an impartial board or whether the brewers are to continue to be the favoured children of the law at considerable unnecessary cost to the community.**

The remedy is simple. Only the Legislature can apply it. What is needed is but three things:

1. Tell the Commission the basis on which it is to negotiate prices. It has no such statutory instruction now. Tell it that the price must be sufficient to meet all the brewers' legitimate costs of production plus a reasonable profit on their investment—the equal of the average profit of other businesses.



2. Give the Commission power to fix tentative prices, subject to appeal to an impartial body. That is now done with the Hydro Commission, the Telephone Commission, the Railway Companies and dozens of similar bodies in this and other lands.
3. Leave to each side an appeal to an impartial body before any change in price is made final. Leave to the Municipal and Public Utility Board—strengthened if necessary for the purpose—the final decision, after full hearings in open session, where both sides can be heard and full justice meted out to both sides.

The public utilities type of approach is the modern world's best example of how to meet such problems as these and settle them fairly to all parties concerned.

The words of Prof. John L. McDougall of Queen's University are of special significance in this connection. Prof. McDougall much prefers the taxation method over the pricing method of control (the latter has been Manitoba's method for 27 years). He has this to say in condemnation of the present practice now in effect in Manitoba and in most other provinces.

"Once the province makes the basic decision to charge itself with distribution, the government of the day stands exposed to the charge of either conniving in the exploitation of consumers by allowing excessive profits, unless formal machinery is set up for the public determination of prices with full representation of all the interests involved. Without such machinery, the best that can be said is that the setting of the price paid to producers and of the price at which sale is made to hotels, and by them to ultimate consumers, is a horse-trade carried on in secret. It may be good horse-trading; but there is no way of proving that it is so. Furthermore, if there is only one liquor commissioner, he carries a painful load of responsibility. It is also unfortunately true that he holds the reputation of the government in his hands. Any failure of judgment on his part or still worse a failure to stand above suspicion will be laid at the door of those who appointed him.

"This is a greater burden than should be put upon any one man and, equally a greater risk than any government can be expected to undertake. Machinery must be devised to safeguard against these risks.

"In effect this means that once the province takes responsibility for the pricing of the product it must for its own protection go on to formalize the machinery under which this is done. This probably means that it should make the setting of prices a proceeding before a public utilities board before which all the parties in interest have a right to be heard."

Professor A. W. Currie refused to be associated with the liquor controversy in any way but consented to give his opinion on the economic aspect of the public utility type of approach as follows:

"The advantages of having the wholesale price of beer set by the Public Utility Commission include:

1. **The Commission must act judicially.** A Commission is not a court. If it were, its members, like all judges, would have to be appointed by the Dominion. In essence, the Commission is an administrative body but it has some of the aspects of a court. At all events it must act as a properly established court would under the circumstances of any particular case. For example, it must give all interested parties an opportunity to be heard. It must hold hearings which are open to the public. It must act upon evidence produced in accordance with the law, and, though it may have its own confidential advisers or experts, it must base its decision on authenticated

facts. Conversely, it must not issue *ex parte* orders, that is, after hearing only one side. It must not act arbitrarily and with obvious bias, nor may it suppress facts or refuse to hear witnesses whose evidence would have a reasonably direct bearing on the point at issue.

More specifically, having the wholesale price of beer set by a Public Utility Commission would ensure that both Province and breweries would have full opportunity to present to the Commission and to the public every aspect of the case favourable to its own position. Incidentally, courts do not insist that the evidence before the Commission be elaborate, exhaustive, or complete in every detail. But there must be facts to go on and the Commission must not act in a high-handed manner.

**2. The Commission is, or ought to be, technically qualified for this task.** The qualifications and background of Commissioners vary across the country. The size, training, and experience of their staffs also vary considerably from one province to another, and even from year to year within the same province. On the face of it, the Commission should be capable of setting the wholesale price of beer because setting a price is essentially the same problem in one industry as in another. It involves the analysis of balance sheets, profit and loss statements and other financial records, comparison with the price of the same goods or service in other areas or, sometimes, the price of competing goods, and so on.

**3. The Commission is presumably free from the suggestion of political bias.** Because the Commission is required to act like a court, it acquires some of the prestige of a court. The decision of a civil servant, a Minister, or of the Cabinet may be severely criticized on the platform, in newspapers, and in the Legislature. The same decision handed down by a court or by a semi-judicial regulatory authority may be acceptable to almost every citizen. The mere fact that the Commission is sheltered by the prestige which courts enjoy among British peoples, tends to make it cautious, scrupulous in its desire to reach a fair decision and, in a word, anxious to act judicially."

Professor Currie refers to certain possible objections to this type of procedure as follows:

"Some provincial Commissions are so burdened with administering the Municipal Act of the Province concerned that they are forced to neglect the regulation of public utilities. A few are handicapped by inadequate staffs or are composed of elderly men who regard their job as a political sinecure. But in general, the Commissions effectively enforce a mass of detailed orders and there has been relatively little criticism of their work. The fact that Commissions assume such a variety of duties can be taken to justify the addition of one more task. On the other hand, it can be argued that the multiplicity of their functions is a reason for not burdening them with still another job. Lacking up-to-date knowledge of the present situation in Manitoba, I am unable to reach a fair conclusion on this matter. Superficially, setting the wholesale price of beer would not seem a very onerous task and would not involve any additional expense to the Government. Yet it is clear that one does not solve a problem merely by transferring it from one group of men to another."

Professor Currie then proceeds to set out the type of directive that might be given such a board as to the basis on which it should proceed. His full report will be found in Chapter XXIX.

## 7. What is at stake?

There is a large sum annually at stake. The brewers are making unnecessarily high profits, the result of charging 20 to 25% more for beer than is charged in Ontario and Quebec. The amount at stake probably exceeds \$1,000,000.00 per year and is increasing annually. The important question is—is the Legislature by a

weakness in its law to continue to allow this sum or any large part of it to be a continuing annual gift to the brewers? Or is the price of beer to the brewers to be such that it will secure that amount—or more or less—for the State?

There are other things at stake too—one is the very principle of Government control. It is becoming a conspicuous fact that the profits to brewers across Canada are much higher than the average of all other industries (probably 25%, see Millar, Macdonald Report) and those profits were made as a result of prices agreed to by Government appointed officials. The latter have had to negotiate with tools unfitted to meet the absence of competition. The Legislature has the cure for that in its own hands if it chooses to use it.

## **8. What should be done?**

Three things—

Ask the Legislature to tell the G.L.C. Commission the basic principles upon which it wishes beer prices to be negotiated in future—suggest to it that the basis should be a price sufficient to cover all legitimate costs of production plus a reasonable profit on whatever is determined to be the investment in breweries.

Give the G.L.C. Commission power to fix these prices tentatively, with final effect to be given to them only after consideration and approval by the Public Utility Board—strengthened in staff if considered necessary—before which all parties interested can be heard in open session.

Give the Public Utility Board the statutory power to act in this matter much as it now does in other matters within its jurisdiction. Let it be in the nature of an appeal board before which either party may come for adjustment of major differences as to price.

## **9. A specific suggestion.**

We have found that the net prices paid to brewers in Manitoba (and in other western provinces) are some 20 to 25% higher than the prices paid to brewers in Ontario. While Manitoba brewers receive a gross price of \$16.93 per half-keg compared to \$14.50 to brewers in Ontario, the net prices, after deduction of Provincial gallonage taxes and Dominion gallonage and sales taxes, is estimated to be \$9.66 in Manitoba compared to \$7.85 in Ontario. There is a similar but somewhat smaller spread in prices of bottled beer.

The Ontario price if applied here would result in a very great gain to the Manitoba Treasury. A fair price—and no more—to Manitoba brewers in future would always result in very much greater gains to Manitoba than will ever accrue under the law as its control features now stand.

We suggest that as a means of getting the matter settled for the present in a manner fair alike to the breweries and to the people of Manitoba, the G.L.C. Commission be authorized to

- (1) fix a tentative price of beer to brewers at a figure midway between the Manitoba price and the Ontario price, and

- (2) that this price be not made effective until an impartial body, such as the Public Utility Board, shall have given the Manitoba brewers an opportunity to show why the eastern price, or even a lower one, should not be in effect here or alternatively why a higher price—and if so, what—should be paid to them.

It is unnecessary to point out that any gain achieved will be a gain to the people of Manitoba, a gain made without being in any way unfair to the manufacturers of beer, a gain which I suggest would be very greatly in the public interest.

JOHN BRACKEN,  
Chairman.

## RESERVATIONS AND OBSERVATIONS BY DR. P. L'HEUREUX

After conscientiously studying the whole problem of distribution and consumption of alcohol for one and a half years, after talking to a multitude of our citizens and visiting many centres, I have become convinced that an immediate wide "liberalization" of our liquor laws would not promote the future health or happiness of our population.

It would appear that history and experience dictate a middle course to be followed if we are, on the one hand, to satisfy the reasonable demands of a free people and on the other, to avoid as much as possible the terrible consequences of frequent and widespread abuse.

In Manitoba, where the liquor laws are said to be strict, this middle course may be almost advantageously reached only after many years of slight liberalization. This would seem to be the most desirable way to proceed as it would avoid sudden and drastic changes which may initiate an inordinate consumption, and give time to the Government to study the reactions of its people and to mature its judgment on proposed further liberalization. It is always much simpler to give more freedom of action to an educated people than to try to reduce its liberty when it is felt that it has acquired a taste which may be acting to its own detriment.

The purpose of the liquor enquiry commission, was I believe two-fold. First, to make available to the Government, all facts relevant to the manufacture, distribution and consumption of alcohol, together with an appraisal of the problems and difficulties which the alcohol trade may create; and secondly, to propose an ideal system of distribution, education and control which the Government could follow as closely as would be practicable having regard for the economic, political, racial and religious make-up of our population.

Out of the enormous mass of information which has been available to members of the commission and which is now summarized in this report certain aspects, peculiar to alcohol control, are apparent, but will bear repeated emphasis. Such statements as those that follow seem to embody the consensus of all the world authorities on this subject:

"The problems of the alcohol trade cannot be solved by statutes alone, but require broad social measures, economic readjustments and education of the individual and of society as well as rehabilitation of the inebriates."

"Social standards can have a strong influence on inebriety; and social standards can be changed if they are tackled with deep understanding and long patience."

"The fact that education has not been too successful does not indicate that education is hopeless, but that perhaps the means of education have not been altogether felicitous."

"There are two major controls of alcoholic drinking behaviour—conscience and our social system. The task of changing social habits is no small undertaking and cannot be accomplished by force alone or by law alone, because the sanctions which make people feel uncomfortable are those that exist in their own group."

These opinions and a multitude of other arguments could be brought forward to show that once the Government sets itself up as the control agent for the alcohol trade, it assumes as its first and most important function, the education of its people, an education designed to change the social habits which lead to all the terrible consequences attributed to the abuse of liquor.

While other considerations may have a certain importance, it could be construed as a shirking of duty for a Government to neglect this primary purpose and enter the liquor trade only to control the number of outlets, the hours of sale, the size of the purchases, or the types of liquor and an even worse offence against its people if its primary objective was to accumulate needed funds for its treasury.

It should never be forgotten by our legislators that the Government must educate and guide the citizens in the proper use of this commodity by all constructive means which may be available as well as by restrictive legislation.

It would seem to me then, that the first and foremost recommendation of this commission to our government should be a plea that all legislators will approve of no law which is not designed to educate, to guide and to control, when necessary, the citizens of this province to develop reasonable and safe habits in their drinking pattern. At the same time, the legislation must avoid all those petty restrictions which not only contribute nothing to the welfare of the people, but frequently lead to such annoying and persistent irritations that many persons are driven to law-breaking simply as a reaction against these useless and unjustifiable legal details.

In order to have a solid and sound foundation upon which to erect the whole structure of alcohol legislation it is necessary to start with certain basic principles which may be applied as tests of justifiable reasoning in the framing of recommendations. Any recommendation which cannot be validated by referral to, at least, one of these principles should be analyzed with great scrutiny to assure that it will ultimately be working to the common good.

I have adopted the following as my own guiding principles and my thoughts in writing this report have been governed by them. They seem to me to be reason-

able, acceptable, precise and adequate to cover the whole field with which we are dealing.

1. The state must control and regulate individual or group action when such action is or may become antisocial, but at the same time it must respect and protect the freedom of action of the individual or group when such action is not antisocial.
2. The state must promulgate laws which will promote temperance in the use of alcoholic beverages as abuse in any form is against the common good.
3. The state must grant the fullest freedom for the encouragement of voluntary total abstinence by individual decision but must not tolerate coercion in this respect.
4. The state must promote by all possible means a sound and thorough education of all sections of the population, on the subject of alcohol and its related problems.
5. The state must provide for the adoption and strict enforcement of such laws respecting alcohol as are deemed reasonable and acceptable by a majority of our people and must make it a challenge to all to be law-abiding.
6. The state must provide the best possible facilities for the prevention of alcoholism and must help in the detection and rehabilitation of these unfortunate members of its society who are abusing of a commodity distributed by the state.
7. The state must guarantee fair treatment and justice to any in the population who are now or who may be engaged in the liquor trade, having regard always for the common good and public welfare.
8. The state must promote a high social, cultural and moral standard in its people so that in time the alcohol problem will be controlled by the well formed conscience of the individual acting within the framework of an enlightened social system.

Certain factors, gleaned from the experience in other provinces and other countries and supported by practically all the writings of the experts in this field, must be taken into consideration when proposing recommendations which the Government may adopt as legislation to rule the people for the next one or two decades.

The following are not basic principles but practical facts brought out by the voluminous observations and numerous surveys which have been carried out in many parts of the world during the past years.

Some of these facts which seem to me to have a most important bearing in our deliberations, I list herewith:

1. In order of importance, it would appear that the best methods of obviating antisocial behaviour, of promoting temperance and avoiding abuses **in the large percentage of people who wish to drink are:**

- (a) **to encourage them to restrict their drinking to their own home.** Most everyone agrees that the family atmosphere is conducive to a more sober pattern of behaviour.
- (b) **to encourage them to drink preferably with meals.** The association of food has the advantage of delaying absorption of the alcohol as well as of lessening the capacity and appetite for alcohol.
- (c) **to discourage drinking in large crowds,** and to substitute for this the small group or club environment, simulating as closely as possible the family group.
- (d) to make more easily available **those drinks which contain a lower concentration of alcohol** in contra-distinction to those having a high concentration.
- (e) **to delay the opening of public outlets** for high concentration liquors as late in the day as practicable. One has only to review the experience of Europe to agree on the benefits of this device.

2. The practical applications which can be made as a consequence to the above facts are:

- (a) To make low concentration beverages easily available close to the homes for purchase in small quantities.
- (b) To make available, in public places, alcoholic beverages in association with meals and to avoid making these liquors available in outlets designed primarily for drinking.
- (c) To limit the size of drinking establishments so as to foster as much as possible the family, community or small club atmosphere.
- (d) To retard until close to the noon hour, if practicable, the opening of any public outlet for on-premises consumption of low concentration liquor and until close to the supper hour for consumption of the higher concentration beverages.

These principles and facts should govern our thoughts in our attempts to formulate legislation.

PAUL L'HEUREUX, M.D.

#### RESERVATION BY MRS. J. L. WHITEFORD

**Reservation regarding Further Recommendation 4, with respect to brewery ownership of hotels or loans.**

I wish to affirm that I am in accord with the original recommendation but could be less firm in the matter of capitalization. I am not in favor of existing loans being increased.

(signed) JEAN L. WHITEFORD

## RESERVATION BY MR. C. A. McCRAE

### Reservation regarding Further Recommendation 4, with respect to brewery ownership of hotels or loans.

On re-examination and further consideration of the proposed amendment to our original recommendation, I would agree that where it becomes necessary to improve or maintain to a reasonable standard of brewery owned hotels that they be allowed to increase their capitalization for this purpose.

However, in regard to increased loans by breweries, to any outlet, whether present or new loans, I would strongly urge that this be not permitted since this would tend to expand and perpetuate brewery interest and this is in my judgment contrary to Public Interest.

(signed) C. A. McCRAE

## OPINIONS OF MAJ.-GEN. H. J. RILEY AND DR. P. L'HEUREUX

Local option has been generally accepted as a necessary policy not only by this Commission but by most people appearing before it. Every aid to reduce consumption of alcoholic beverages should be given by example, education and influence, but it should not be overlooked that successful control must have the support of the rational consumer and a majority which makes decisions affecting the habits of a strong minority even for the good of that minority may not get the co-operation that is required to produce law observance and efficient law enforcement. It would be regrettable if relatively unimportant restrictions are allowed to alienate the sympathy of the normally law-abiding citizens who use alcohol as a beverage. It is suggested that it would be preferable to have the Local Option vote cover the question of whether the area should be dry, for Beer and Light Wines or open for all alcoholic beverages. The Liquor Control Commission could then designate the types of license best suited to the wishes and other relating factors in the area.

We understand that other members of the Commission express doubts as to the wisdom of permitting additional loans to be made to hotels in which breweries are interested, although this amendment to the recommendations was approved by the Commission. In our opinion the danger arising from brewery interests in hotels has been over emphasized. It seems clear that the brewery interest in hotels has improved the standard of hotels and if protection is given to independent breweries who have not hotel interests by means of the quota system the only objection we see to the brewery interests in hotels would be removed.

The present Act states that there must be a clear view from the street level of a beer parlor during the hours such beer parlor is closed. There seems to be a strong feeling among those who wish to reduce the consumption of liquor that a clear view when the parlor is in operation will help to curb immoderate drinking and the majority of the Commission have recommended that the Act be amended to provide that beer parlors must offer a clear view from street level at all times. No information



was before the Commission to show how many of the present beer parlors can be viewed from street level, but it is suggested that if this provision is to serve its purpose it may prove very difficult for some otherwise law-abiding and respectable parlors. However, if all that is required is a small opening and, if necessary a periscope, the requirement can be met easily but the purpose will not be served. We do not concur in this recommendation.

The majority of the Board do not consider that the responsibility for fixing graduated license fees, markups by licensees and the price paid to brewers should be left to the Liquor Control Commission. The systems of controls to be established will depend for its success very largely on the integrity and ability of the Liquor Control Commission. If the Commission appointed is not competent to deal with prices it is doubtful whether they will be competent to handle the other responsibilities placed upon them. The personnel selected should be just as impartial and able as any available for a Review Board and we do not concur in the recommendation that there should be a Review Board. If one is created there seems to be no reason why the whole price structure should not be reviewed by it. The price to licensees and the price to patrons of the Government Liquor Stores should not be excluded. If protection is necessary due to the partiality or lack of interest or information of the Liquor Control Commission, the consumer is as much entitled to it as the brewers, the hotel keeper or the Provincial Treasurer.

The majority of the Commission refuses to exclude Clubs from the license fees or similar controls applied to commercial outlets. The control of the type of and conduct in Club premises if properly exercised should be sufficient without applying graduated taxes in the form of a license fee to restrain consumption. We do not agree that Clubs similar to the licensed Legion Branches should be treated as though they were proprietary Clubs and taxed by a graduated license fee or otherwise.

As stated in the introduction to Chapter XXIX, the affairs of the breweries in Manitoba were not submitted for investigation. In his article contained in this Chapter, Prof. Bellan refers to the unreasonable profits of the breweries. The information and articles collected in this Chapter appear to have been collected to support this view. It is apparent that no information to refute this was invited or sought. The material contained in the Chapter was not adequately discussed by the Commission and there was no consensus. We feel that it should be made clear that any suggestions or opinions other than the recommendation that the Government Liquor Commission inform itself fully so that it is properly equipped to negotiate or determine a proper price is not the considered opinion of the Commission and should be regarded as the personal opinions of the individuals expressing them.

H. J. RILEY

PAUL L'HEUREUX, M.D.

## **PART THREE**

### **APPENDIX**

- I. Index of Submissions presented to the Manitoba Liquor Enquiry Commission.
- II. Presentations received by Mail from Organizations and Individuals.
- III. Interviews and Consultations outside of Manitoba.

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3. Government Liquor Control Commission, Comptroller, Mr. M. M. Oswald.
4. Government Liquor Control Commission, Superintendent, Licenses and Permits, Mr. W. B. Axford.
5. Chief Inspector Government Liquor Control Act.
6. Registrar of Motor Vehicles for Manitoba.
7. Department of Health and Public Welfare.
8. Winnipeg Juvenile and Family Court.
9. Department of Education, Dr. J. M. Brown.
10. Bureau of Travel and Publicity.
11. Royal Canadian Mounted Police.
12. Unemployment Insurance Commission.
13. Prisoners Welfare Association of Manitoba.
14. City of Winnipeg Health Department.
15. City of Winnipeg Public Welfare Department.
16. City of St. Boniface Public Welfare Department.
17. Salvation Army.
18. Winnipeg Board of Parks and Recreation.
19. Manitoba Trucking Association.
20. Canadian Pacific Railway Company.
21. Westminster United Church.
22. Christian Business Men's Committee.
23. Augustine United Church.
24. The Women's Missionary Society, United Church of Canada.
25. Roland District Women's Institute.

26. Mr. Ch. Newman.
27. Miss Ellen Cooke.
28. Mr. L. D. Morosnick.
29. Canadian Restaurant Association.
30. Retail Merchants Association of Manitoba.
31. Winnipeg Printers Printing Trades and Publication Group.
32. The Executive—Winnipeg South Young Liberal Association.
33. Central Division of Manitoba Tourist Association.
34. Canadian National Railways.
35. Manitoba Hotel Association.
36. Manitoba Temperance Alliance.
37. Mr. W. D. Bayley.
38. Rev. Geo. Denyes.
39. Rev. Frank Gray.
40. Ald. H. B. Scott, M.L.A.
41. Selkirk and District Ministerial Association.
42. Session of Selkirk United Church.
43. Mr. H. Payne (Selkirk).
44. Beverage Dispensers Union.
45. Gladstone United Church.
46. Portage la Prairie Presbytery—United Church.
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48. Carman Presbyterial of the Women's Missionary Society.
49. Mr. W. L. Belton (Portage la Prairie).
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84. Swan River Valley Concerned Citizens.
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88. Swan River Chamber of Commerce.
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96. North of 53 Trades & Labor Council.
97. B. T. Poulin (Flin Flon).
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101. Rev. W. A. Harvey (The Pas).
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109. The Canadian Association of Social Workers.
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111. The Brandon Council of Women.
112. Red River Valley Association of Baptist Churches.
113. The Viking Club.
114. Winnipeg Labour Council, C.C.L.
115. Winnipeg and District Trades and Labour Council.
116. Young United Church.
117. Manitou District Women's Institute.
118. Manitou Citizens Committee.
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123. Greater Winnipeg Associated Clubs.
124. Central French Reservists'.
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134. Manitoba Temperance Alliance.
135. Conference of Manitoba, United Churches of Canada.
136. The Committee on Alcoholism for Manitoba.
137. Mr. N. Rothstein.
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143. Young Peoples Union of the United Church.
144. Mr. William Ivens.
145. Women's Christian Temperance Union (Neepawa).
146. St. Paul's United Church, Souris.
147. Women's Aid of the Hamiota Hospital.
148. Mrs. G. R. Belton, W.C.T.U.
149. Women's Christian Temperance Union, Brookdale, Manitoba Branch.
150. Belmont Charge, United Church.



151. Morden Church of God.
152. Miss Muriel E. Jallow (Brandon).
153. United Church, (Stockton, Manitoba).
154. Ladies Aid, Stockton United Church.
155. Flin Flon Liberal Association.
156. Steinbach Chamber of Commerce.
157. Members of K-40 Club of Winnipeg (Senior Kinsmen).
158. Members of the Kinsmen Club of Winnipeg.
159. Trans-Canada Air Lines.
160. J. F. O'Sullivan.
161. North of 53 Trades and Labour Council.
162. Robertson Memorial Church.
163. The Scotch Whiskey Association.
164. The Wurlitzer Company.
165. Grand Orange Lodge of Manitoba.

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Baldur and District Chamber of Commerce, Baldur, Manitoba.

Official Board of Baldur United Church, Baldur, Manitoba.

Basswood United Church, Basswood, Manitoba.

The Canadian Legion of the British Empire Service League, Winnipeg,  
Manitoba.

Carman Presbytery of the United Church of Canada, Glenboro, Manitoba.

Cartwright Women's Institute, Cartwright, Manitoba.

The Free Methodist Church, Roblin, Manitoba.

The Irish Protestant Association of Manitoba, Winnipeg, Manitoba.

King's United Church, Margaret, Manitoba.

Manitoba Conference Young People's Union, Winnipeg, Manitoba.

Newdale Evening Auxiliary, Newdale, Manitoba.

Robertson Memorial United Ukrainian Congregation, Winnipeg, Manitoba.

Teulon United Church, Teulon, Manitoba.

Young People's Union of the Manitoba Conference, Minnedosa, Manitoba.

Mr. Joe Bignall, Thickett Portage, Manitoba.

Mr. A. D. Blair, Alexander, Manitoba.

Mr. R. G. Browne, Fort Garry, Manitoba.

Mr. H. Burrows, St. Vital, Manitoba.

Mrs. Ethel Cole, Gilbert Plains, Manitoba.

Mr. Thos. J. Colton, Winnipeg, Manitoba.

Mrs. R. M. Cowan, Winnipeg, Manitoba.

Mr. J. R. A. Dewar, Gladstone, Manitoba.

Mr. Roy Doherty, Griswold, Manitoba.

Mr. G. O. Dhaene, St. Boniface, Manitoba.

Mrs. John J. Dueck, Morris, Manitoba.

Mr. & Mrs. T. Dunn, Russell, Manitoba.

Miss C. Eldridge, Brandon, Manitoba.

Mr. William W. Elliott, Morden, Manitoba.

Mr. Glen Frain, Winnipeg, Manitoba.

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Mr. A. M. Graham, Greenway, Manitoba.  
Mr. J. Graham, Winnipeg, Manitoba.  
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Mr. Stephen Juba, Winnipeg, Manitoba.  
Mr. R. B. Lloyd, Norwood, Manitoba.  
Mr. Jr. R. Mitchell, Roblin, Manitoba.  
Mrs. George Moir, Tilston, Manitoba.  
Mr. R. Maxwell Moore, Winnipeg, Manitoba.  
Mr. Malcolm MacPhail, Winnipeg, Manitoba.  
Miss Terry McDonald, Winnipeg, Manitoba.  
Mr. H. L. McKinnon, Winnipeg, Manitoba.  
Mr. A. F. McKenzie, Neepawa, Manitoba.  
Mrs. J. D. Mclean, Shoal Lake, Manitoba.  
Mr. Fred C. Parchman, Woodrow, Sask.  
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Mr. P. C. Sorenson, Rennie, Manitoba.  
Mr. F. C. Warburton, Winnipeg, Manitoba.  
Mr. Frank H. Williams, Winnipeg, Manitoba.

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Ontario Liquor Control Board, Toronto, Ontario.

Ontario Liquor License Board, Toronto, Ontario.

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Indian Health Services, Ottawa, Ontario.

Dominion Bureau of Statistics, Ottawa, Ontario.

Department of National Revenue, Ottawa, Ontario.

Dominion Brewers' Association, Ottawa, Ontario.

Dr. W. W. McKay, Ottawa, Ontario.

Quebec Liquor Commission, Montreal, Quebec.

Drs. Dancy, Crookshank, and Associates, Montreal, Quebec.

Association of Canadian Distillers, Montreal, Quebec.

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The Alcoholism Foundation of Alberta,

9910, 103 Street, EDMONTON, Alberta.

Alcohol Research Foundation,

9 Bedford Road, TORONTO, Ontario.

Committee of Alcoholism for Manitoba,

588 Broadway Avenue, WINNIPEG, Manitoba.

Committee of Alcoholism for British Columbia,

1690 West Broadway, VANCOUVER 9, B.C.

National Committee of Alcoholism,

2 East 103 Street, NEW YORK 29, N.Y.

Washington Temperance Association,

5131 Arcade Building, SEATTLE 1, Washington.

and numerous other pamphlets, booklets, newsletters and bulletins regarding the problem of alcohol.

## 10. PERIODICALS

"Quarterly Journal of Studies on Alcohol"

Published quarterly by the Journal of Studies on Alcohol. This journal is the organ of the Yale Centre on Alcohol Studies and the most important journal on the subject published on this continent.

"Inventory"

An educational journal on alcohol and alcoholism published bi-monthly by the North Carolina Alcoholic Rehabilitation Program.

"Alcoholism Research"

An educational journal published regularly by the Alcoholism Research Foundation, Toronto, in the interest of a wider understanding of the illness—'Alcoholism'.

"Alert"

A periodical published quarterly by the Pacific Press, Mountain View, California, as the voice of the International Temperance Association.

"The Allied Youth"

Published monthly (except July and August) by Allied Youth, an educational organization specializing in Alcohol Education.

"The Canadian Beverage Review"

Published every second month by B. L. Smith—McCarthy Publishing Company, Toronto, serving the Carbonated Beverage, Brewing, Distilling and Wine Making Industries.

**"The Monopoly State Review"**

Devoted exclusively to the study of Monopoly State Liquor Administration; published monthly by Liquor Publications, Inc., Chicago, Illinois.

**"Hotel and Tavern"**

An independent magazine serving licensed hotels, clubs, lounges, etc.; published monthly by Age Publications Limited, Montreal and Toronto.

**"British Journal of Addiction"**

Published bi-annually by Wilding and Son Limited, Shrewsbury, England, for the Society for the Study of Addiction, a scientific body having for its objects the systematic study of addiction to alcohol and other drugs and the investigations of all forms of alcoholism.

**"Listen"**

A quarterly journal published in the interests of scientific education for the prevention of alcoholism and narcotics addiction, by the American Temperance Society, Mountain View, California.

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